

September 19, 2006

James Fulton, Chief  
Denver Field Division  
Office of Surface Mining  
Reclamation and Enforcement  
Western Regional Coordinating Center  
1999 Broadway, Suite 3320  
P.O. Box 46667  
Denver, Colorado 80201-6667

Dear Mr. Fulton:

Enclosed, please find hard copies of the following inspection reports, notice of violations, cessation orders, modifications, terminations, vacations, proposed assessments, finalized assessments, conference requests, hearings held, and fines paid.

***Inspections***

<b><u>Permit #</u></b>	<b><u>Inspection Date</u></b>	<b><u>Type</u></b>	<b><u>Mine Name</u></b>
C/007/001	08/28/2006	Complete	White Oak
C/007/005	08/21/2006	Partial	Skyline
C/007/006	08/16/2006	Partial	Star Point
C/007/011	08/30/2006	Partial	Hiawatha Complex
C/007/012	08/21/2006	Partial	Wellington Prep Plant
C/007/013	08/01/2006	Complete	Horse Canyon
C/007/016	08/16/2006	Partial	Gordon Creek 2, 7, 8
C/007/019	08/11/2006	Complete	Centennial Project
C/007/020	08/25/2006	Partial	Horizon
C/007/022	08/29/2006	Partial	Savage Coal Terminal
C/007/033	08/15/2006	Complete	Wildcat Loadout
C/007/035	08/22/2006	Complete	Sunnyside Refuse/Slurry
C/007/038	08/30/2006	Partial	Willow Creek
C/007/039	08/01/2006	Partial	Dugout Canyon
C/007/041	08/23/2006	Partial	West Ridge
C/007/042	08/22/2006	Complete	Star Point Refuse
C/015/007	08/10/2006	Complete	Hidden Valley
C/015/009	08/14/2006	Complete	Trail Mountain
C/015/015	08/10/2006	Complete	Emery Deep
C/015/017	08/14/2006	Partial	Des Bee Dove
C/015/018	08/29/2006	Partial	Deer Creek
C/015/025	08/25/2006	Partial	Bear Canyon
C/015/032	08/17/2006	Partial	Crandall Canyon

C/041/002	08/02/2006	Exploration	SUFCO
C/041/002	08/29/2006	Partial	SUFCO

***NOV/CO Modification Date***

<u>Permit #</u>	<u>Date Issued</u>	<u>Date Modified</u>	<u>NOV/CO #</u>	<u>Mine Name</u>
C/007/012	07/07/2006	08/30/2006	N06-37-1-1	Wellington Prep
C/015/025	04/10/2006	09/15/2006	N06-46-2-2, 1 of 2	Bear Canyon

***NOV/CO Termination Date***

<u>Permit #</u>	<u>Date Issued</u>	<u>Date Terminated</u>	<u>NOV/CO #</u>	<u>Mine Name</u>
C/007/022	07/14/2006	07/28/2006	N06-46-3-1	Savage Services
C/015/025	02/03/2006	08/31/2006	N06-46-1-1	Bear Canyon

***Pre-Penalty Assessment Letter***

<u>Permit #</u>	<u>Date Issued</u>	<u>NOV/CO #</u>	<u>Mine Name</u>
C/007/012	07/07/2006	N06-37-1-1	Wellington

***Conference Requests***

<u>Permit #</u>	<u>Date Requested</u>	<u>NOV/CO #</u>	<u>Mine Name</u>
C/007/012	09/01/2006	N06-37-1-1	Wellington Prep (email)
C/007/012	09/05/2006	N06-37-1-1	Wellington Prep

All of the listed inspection reports, modifications, terminations, vacations, assessments and correspondence, included in this envelope have been verified by one of the Permit Supervisors.

Sincerely,

Stephanie Dunlap  
Secretary



## State of Utah

### Department of Natural Resources

MICHAEL R. STYLER  
*Executive Director*

### Division of Oil, Gas & Mining

JOHN R. BAZA  
*Division Director*

JON M. HUNTSMAN, JR.  
*Governor*

GARY R. HERBERT  
*Lieutenant Governor*

#### Representatives Present During the Inspection:

OGM Steve Demczak Environmental Scientist III

## Inspection Report

Permit Number:	C0070001
Inspection Type:	COMPLETE
Inspection Date:	Monday, August 28, 2006
Start Date/Time:	8/28/2006 11:00:00 AM
End Date/Time:	8/28/2006 2:00:00 PM
Last Inspection:	Tuesday, July 18, 2006

Inspector: Steve Demczak, Environmental Scientist III

Weather: Sunny, 70's

InspectionID Report Number: 1054

Accepted by: pgrubaug  
9/13/2006

Permittee: **LODESTAR ENERGY INC**

Operator: **LODESTAR ENERGY INC**

Site: **WHITE OAK MINE**

Address: **2525 HARRODSBURG RD STE 235, LEXINGTON KY 40504-1628**

County: **CARBON**

Permit Type: **PERMANENT COAL PROGRAM**

Permit Status: **FORFEITURE**

#### Current Acreages

3,906.00	<b>Total Permitted</b>
151.10	<b>Total Disturbed</b>
	<b>Phase I</b>
	<b>Phase II</b>
	<b>Phase III</b>

#### Mineral Ownership

- ☒ Federal
- ☒ State
- ☒ County
- ☒ Fee
- ☐ Other

#### Types of Operations

- ☒ Underground
- ☒ Surface
- ☒ Loadout
- ☐ Processing
- ☐ Reprocessing

#### Report summary and status for pending enforcement actions, permit conditions, Division Orders, and amendments:

Outstanding Violations: OSM- C04-140-116-001, DOGM- FTA C03-39-1-1, FTA C03-42-1-1, C03-42-1-2, FTA C03-42-1-3, C0-51--1-1, C03-50-2-1, FTA C04-39-1-1, C03-39-1-1, C03-42-1-2, C03-42-1-1, C03-42-1-3, C03-51-1-1, N03-46-1-1, and N03-50-1-1. These violations received an "Exclusionary Code" in the AVS on October 21, 2004 due to the General Settlement Agreement signed on August 18, 2004. The Rennert parties, Congress Financial, Wexford and the Debtors trustee will receive the "exclusion" code. Lodestar Energy, Inc will remain liable in the AVS.

There has been some grazing on the site, as reported by the AMR program. The Division is notifying the owner of the grazing allotment, Warren Bailey.

Reclamation was completed at the mine on November 1, 2005 and at the loadout on November 4, 2005.

Inspector's Signature: \_\_\_\_\_

Date Wednesday, August 30, 2006

Steve Demczak, Environmental Scientist III

Inspector ID Number: 39

**Note:** This inspection report does not constitute an affidavit of compliance with the regulatory program of the Division of Oil, Gas and Mining.

1594 West North Temple, Suite 1210, PO Box 145801, Salt Lake City, UT 84114-5801  
telephone (801) 538-5340 • facsimile (801) 359-3940 • TTY (801) 538-7458 • [www.ogm.utah.gov](http://www.ogm.utah.gov)

Permit Number: C0070001  
 Inspection Type: COMPLETE  
 Inspection Date: Monday, August 28, 2006

## Inspection Continuation Sheet

Page 2 of 3

### **REVIEW OF PERMIT, PERFORMANCE STANDARDS PERMIT CONDITION REQUIREMENTS**

1. Substantiate the elements on this inspection by checking the appropriate performance standard.
  - a. For COMPLETE inspections provide narrative justification for any elements not fully inspected unless element is not appropriate to the site, in which case check Not Applicable.
  - b. For PARTIAL inspections check only the elements evaluated.
2. Document any noncompliance situation by reference the NOV issued at the appropriate performance standard listed below.
3. Reference any narratives written in conjunction with this inspection at the appropriate performance standard listed below.
4. Provide a brief status report for all pending enforcement actions, permit conditions, Divison Orders, and amendments.

	Evaluated	Not Applicable	Comment	Enforcement
1. Permits, Change, Transfer, Renewal, Sale	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
2. Signs and Markers	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
3. Topsoil	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>
4.a Hydrologic Balance: Diversions	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>
4.b Hydrologic Balance: Sediment Ponds and Impoundments	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
4.c Hydrologic Balance: Other Sediment Control Measures	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
4.d Hydrologic Balance: Water Monitoring	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
4.e Hydrologic Balance: Effluent Limitations	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
5. Explosives	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
6. Disposal of Excess Spoil, Fills, Benches	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
7. Coal Mine Waste, Refuse Piles, Impoundments	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
8. Noncoal Waste	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
9. Protection of Fish, Wildlife and Related Environmental Issues	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
10. Slides and Other Damage	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
11. Contemporaneous Reclamation	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
12. Backfilling And Grading	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>
13. Revegetation	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
14. Subsidence Control	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
15. Cessation of Operations	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
16.a Roads: Construction, Maintenance, Surfacing	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
16.b Roads: Drainage Controls	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>
17. Other Transportation Facilities	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
18. Support Facilities, Utility Installations	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
19. AVS Check	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
20. Air Quality Permit	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
21. Bonding and Insurance	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
22. Other	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>

### **3. Topsoil**

All topsoil was used to reclaim the mine site. At the mine, much of the material used as topsoil has a high percentage of clay.

#### **4.a Hydrologic Balance: Diversions**

The loadout at the main diversions are functional. Some sediment has built-up within the diversions. The mine road diversion is in poor condition and drainage would go under the road and discharge on to the outslope of the road. This spring, with winter snow melt, the creek was effected by additional sediment.

### **12. Backfilling And Grading**

Small amount of erosion has occurred at the mine site on the west side. The steep slopes have small rills from the spring runoff. This should lessen once the mine site becomes vegetated. In time, the rills will fill in once vegetation is established.

#### **16.b Roads: Drainage Controls**

The concrete ditches to the mine site are in poor condition. The concrete is broken up and water is running under the pavement.

### **22. Other**

The Division issued the Determination to Forfeit at the White Oak Mine on May 1, 2003. Chapter 7 was filed by Lodestar Energy, Inc. on July 15, 2003. The Division negotiated with the Bankruptcy Trustee and Frontier Insurance to stabilize this site. The amount of \$999,000 was escrowed from Frontier Insurance Company on October 3, 2003. Ledcor (the Frontier contractor) started work at the White Oak Mine on October 13, 2003. Ledcor (the contractor for Frontier) left the site for the winter on December 17, 2003. Reclamation work at the White Oak Loadout is being done by the Mark Wayment group. \$1.217 million was received from the Global Settlement Agreement and the contractor VCM was awarded the contract to continue reclamation at the White Oak Mine. Work started on October 3, 2004 and ended in December 2004. Reclamation work began in June 2005 and was completed on November 1, 2005 for the mine and November 4, 2005 for the loadout.

On June 18, 2004, Lodestar trustee Bill Bishop filed the master settlement between various parties (including Renco and Wexford Capital) for reclamation in a "General Settlement Fund" outside of the Lodestar bankruptcy estate. Utah received \$1.217 million dollars - this was finalized by the Bankruptcy Court on August 18, 2004.

The contract with the Frontier contractor, Ledcor, was terminated in June 2004. The monies remaining from that contract were used for reclamation at White Oak.

AMR programs administered the reclamation work at the White Oak Mine and did additional reclamation at the loadout. All reclamation work is now completed. The Division will contract the spraying of weeds annually at the mine site.



## State of Utah

### Department of Natural Resources

MICHAEL R. STYLER  
*Executive Director*

### Division of Oil, Gas & Mining

JOHN R. BAZA  
*Division Director*

JON M. HUNTSMAN, JR.  
*Governor*

GARY R. HERBERT  
*Lieutenant Governor*

#### Representatives Present During the Inspection:

Company	Gregg Galecki	Environmental Coordinator
OGM	Steve Demczak	Environmental Scientist III
OGM	Priscilla Burton	Environmental Scientist III

## Inspection Report

Permit Number:	<b>C0070005</b>
Inspection Type:	<b>PARTIAL</b>
Inspection Date:	Monday, August 21, 2006
Start Date/Time:	8/21/2006 10:00:00 AM
End Date/Time:	8/21/2006 2:00:00 PM
Last Inspection:	Friday, August 18, 2006

Inspector: Steve Demczak, Environmental Scientist III

Weather: Sunny, 70's

InspectionID Report Number: 1057

Accepted by: pgrubaug  
9/8/2006

Permittee: **CANYON FUEL COMPANY LLC**

Operator: **CANYON FUEL COMPANY LLC**

Site: **SKYLINE MINE**

Address: **HC 35 BOX 380, HELPER UT 84526**

County: **CARBON**

Permit Type: **PERMANENT COAL PROGRAM**

Permit Status: **ACTIVE**

#### Current Acreages

10,374.00	<b>Total Permitted</b>
79.12	<b>Total Disturbed</b>
	<b>Phase I</b>
	<b>Phase II</b>
	<b>Phase III</b>

#### Mineral Ownership

- ☒ Federal  
☒ State  
☐ County  
☒ Fee  
☐ Other

#### Types of Operations

- ☒ Underground  
☐ Surface  
☐ Loadout  
☐ Processing  
☐ Reprocessing

#### Report summary and status for pending enforcement actions, permit conditions, Division Orders, and amendments:

The permittee is meeting the following Permit Conditions:

- 1) Submit Water Monitoring data in electronic format to the Division.
- 2) Canyon Fuel Co. must submit all existing studies and data for the update of the PHC as a result of the mine inflows.
- 3) Canyon Fuel Co. must submit cumulative monthly flow data for discharges into Electric Lake and Eccles Creek.
- 4) Canyon Fuel Co. must have a qualified person compile and analyze past macroinvertebrate studies on Eccles Creek into one report.
- 5) Canyon Fuel Co. must initiate an update to and further evaluation of the Hydrologic and Channel-Stability Evaluation of Eccles and Mud Creek.

Permit Renewal was April 30, 2002, and expires on April 30, 2007. The state permit for full extraction in North Lease was approved by the state on December 2, 2005 and mining plan approval by the Secretary of the Interior was approved on February 24, 2006.

The permittee has the following permitting action with the Division: Midterm Permit Review.

Inspector's Signature: \_\_\_\_\_

Date: Thursday, August 31, 2006

Steve Demczak, Environmental Scientist III

Inspector ID Number: 39

**Note:** This inspection report does not constitute an affidavit of compliance with the regulatory program of the Division of Oil, Gas and Mining.

1594 West North Temple, Suite 1210, PO Box 145801, Salt Lake City, UT 84114-5801  
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Permit Number: C0070005  
 Inspection Type: PARTIAL  
 Inspection Date: Monday, August 21, 2006

## Inspection Continuation Sheet

Page 2 of 3

### **REVIEW OF PERMIT, PERFORMANCE STANDARDS PERMIT CONDITION REQUIREMENTS**

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	Evaluated	Not Applicable	Comment	Enforcement
1. Permits, Change, Transfer, Renewal, Sale	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
2. Signs and Markers	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
3. Topsoil	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>
4.a Hydrologic Balance: Diversions	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
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5. Explosives	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
6. Disposal of Excess Spoil, Fills, Benches	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
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20. Air Quality Permit	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
21. Bonding and Insurance	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
22. Other	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>

### **3. Topsoil**

Last summer the permittee, DOGM, and the US Forest Service agreed upon a plan to recontour the Right Fork road. We inspected the South Fork reclamation which was re-graded in August 2005 to provide better reclamation of the right fork road, along which topsoil had been stored during operations of Mine #1 portals. The initial reclamation work had left a road cut that was unsatisfactory to the Division and the USFS. During this inspection, we noted that the vegetation along the road from the pump house to the Right Fork was providing good cover, although no additional seeding or grading was done after the traffic disturbance during the re-grading last year. Some thistle plants were noted along the road., but swales and silt fences were well vegetated. The creek below was running clear. Along the road to the Right Fork (the area where major regrading was done) varied in ground cover. The main reason was the soil type. Where topsoil (dark brown) was on the surface, vegetation did well. Vegetation was limited where subsoil was on the surface. (The subsoil had been stored in the "land bridge" across the stream. It was noticeably lighter in color and higher in clay content). Even so, there were some sprigs of grasses beginning to grow in the subsoil. This is the first growing season for the Right Fork. See photos.

### **4.c Hydrologic Balance: Other Sediment Control Measures**

The main sediment control for the Right Fork was pocking the surface. However, silt fences were used at the base of the slope to keep sediment out of the ephemeral channel. In some areas, the silt fences contained sediment. The Division may note small pocks will not always contain the sediment on slopes and additional sediment control is needed. Slopes along this road were 4h:1v to 2h:1v.

### **7. Coal Mine Waste, Refuse Piles, Impoundments**

The refuse pile was inspected with no hazardous condition noticed during the inspection. This summer, the pile capacity was expanded by approximately 24 ft., reducing the width of the access road to one lane (as per original design shown on PLATE 4.16.1-1B). During the recent work, the surface cover of 28 inches was removed from the outslope of the refuse pile and placed into two stockpiles piles. The topsoil is being replaced contemporaneously. To date, the topsoil has been replaced on a section of slope that is 100 yds long and 20 yds upslope. The sediment control blankets are being used on the slope as per plan. Mr. Galecki indicated that the topsoil remaining in stockpiles will be seeded this fall. Volumes of stockpiled soil will be reported. The permittee will be submitting an amendment to further extend the size of the refuse pile down canyon.

### **8. Noncoal Waste**

The mine site was clear of non-coal waste material.















## State of Utah

### Department of Natural Resources

MICHAEL R. STYLER  
*Executive Director*

### Division of Oil, Gas & Mining

JOHN R. BAZA  
*Division Director*

JON M. HUNTSMAN, JR.  
*Governor*

GARY R. HERBERT  
*Lieutenant Governor*

#### Representatives Present During the Inspection:

Company	Dennis Ware	Controller
OGM	Karl Houskeeper	Environmental Scientist III

## Inspection Report

Permit Number:	<b>C0070006</b>
Inspection Type:	PARTIAL
Inspection Date:	Wednesday, August 16, 2006
Start Date/Time:	8/16/2006 8:00:00 AM
End Date/Time:	8/16/2006 11:00:00 PM
Last Inspection:	Thursday, July 20, 2006

Inspector: Karl Houskeeper, Environmental Scientist III

Weather: Clear, Temp. 70 Deg. F.

InspectionID Report Number: 1042

Accepted by: pgrubaug  
8/29/2006

Permittee: **PLATEAU MINING CORP**

Operator: **PLATEAU MINING CORP**

Site: **STAR POINT MINE**

Address: **PO BOX 30, HELPER UT 84526-0030**

County: **CARBON**

Permit Type: **PERMANENT COAL PROGRAM**

Permit Status: **RECLAIMED**

#### Current Acreages

8,919.91	<b>Total Permitted</b>
113.34	<b>Total Disturbed</b>
113.34	<b>Phase I</b>
	<b>Phase II</b>
	<b>Phase III</b>

#### Mineral Ownership

- ☒ Federal
- ☒ State
- ☐ County
- ☒ Fee
- ☐ Other

#### Types of Operations

- ☒ Underground
- ☐ Surface
- ☐ Loadout
- ☐ Processing
- ☐ Reprocessing

#### Report summary and status for pending enforcement actions, permit conditions, Division Orders, and amendments:

There are no pending compliance actions. The only permit condition currently in place is that the permittee must submit all water monitoring data in an electronic format to the Division's web site. The permittee is complying with this stipulation.

UPDES Permit UT0023736 inactivated by letter dated November 18, 2004.

Inspector's Signature: \_\_\_\_\_

Date Wednesday, August 16, 2006

Karl Houskeeper, Environmental Scientist III

Inspector ID Number: 49

**Note:** This inspection report does not constitute an affidavit of compliance with the regulatory program of the Division of Oil, Gas and Mining.

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telephone (801) 538-5340 • facsimile (801) 359-3940 • TTY (801) 538-7458 • [www.ogm.utah.gov](http://www.ogm.utah.gov)

Permit Number: C0070006  
 Inspection Type: PARTIAL  
 Inspection Date: Wednesday, August 16, 2006

## Inspection Continuation Sheet

Page 2 of 3

### **REVIEW OF PERMIT, PERFORMANCE STANDARDS PERMIT CONDITION REQUIREMENTS**

1. Substantiate the elements on this inspection by checking the appropriate performance standard.
  - a. For COMPLETE inspections provide narrative justification for any elements not fully inspected unless element is not appropriate to the site, in which case check Not Applicable.
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4. Provide a brief status report for all pending enforcement actions, permit conditions, Divison Orders, and amendments.

	Evaluated	Not Applicable	Comment	Enforcement
1. Permits, Change, Transfer, Renewal, Sale	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>
2. Signs and Markers	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>
3. Topsoil	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
4.a Hydrologic Balance: Diversions	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
4.b Hydrologic Balance: Sediment Ponds and Impoundments	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
4.c Hydrologic Balance: Other Sediment Control Measures	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
4.d Hydrologic Balance: Water Monitoring	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>
4.e Hydrologic Balance: Effluent Limitations	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
5. Explosives	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
6. Disposal of Excess Spoil, Fills, Benches	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
7. Coal Mine Waste, Refuse Piles, Impoundments	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
8. Noncoal Waste	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
9. Protection of Fish, Wildlife and Related Environmental Issues	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
10. Slides and Other Damage	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
11. Contemporaneous Reclamation	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
12. Backfilling And Grading	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
13. Revegetation	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>
14. Subsidence Control	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
15. Cessation of Operations	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
16.a Roads: Construction, Maintenance, Surfacing	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
16.b Roads: Drainage Controls	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
17. Other Transportation Facilities	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
18. Support Facilities, Utility Installations	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
19. AVS Check	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
20. Air Quality Permit	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
21. Bonding and Insurance	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
22. Other	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>

**1. Permits, Change, Transfer, Renewal, Sale**

There are no pending compliance actions. The only permit condition currently in place is that the permittee must submit all water monitoring data in an electronic format to the Division's web site. The permittee is complying with this stipulation.

UPDES Permit UT0023736 inactivated by letter dated November 18, 2004.

**2. Signs and Markers**

The ID sign is located at the public access to the permit boundary. Other markers observed during the inspection were in place as required by the coal rules.

**4.d Hydrologic Balance: Water Monitoring**

First quarter 2006 water monitoring is in the EDI website and is uploaded. Water monitoring is current.

**13. Revegetation**

A vegetation study is to be conducted in the near future by Mt. Nebo Scientific (Patrick Collins).



## State of Utah

### Department of Natural Resources

MICHAEL R. STYLER  
*Executive Director*

### Division of Oil, Gas & Mining

JOHN R. BAZA  
*Division Director*

JON M. HUNTSMAN, JR.  
*Governor*

GARY R. HERBERT  
*Lieutenant Governor*

#### Representatives Present During the Inspection:

Company	Mark Reynolds
OGM	Joe Helfrich Environmental Scientist III

## Inspection Report

Permit Number:	C0070011
Inspection Type:	PARTIAL
Inspection Date:	Wednesday, August 30, 2006
Start Date/Time:	8/30/2006 2:00:00 PM
End Date/Time:	8/30/2006 4:00:00 PM
Last Inspection:	Wednesday, July 26, 2006

Inspector: Joe Helfrich, Environmental Scientist III

Weather: Sunny 85

InspectionID Report Number: 1061

Accepted by: whedberg  
9/11/2006

Permittee: **HIAWATHA COAL CO INC**

Operator: **HIAWATHA COAL CO INC**

Site: **HIAWATHA MINE COMPLEX**

Address: **PO BOX 1245, HUNTINGTON UT 84528**

County: **CARBON**

Permit Type: **PERMANENT COAL PROGRAM**

Permit Status: **ACTIVE**

#### Current Acreages

12,177.00	<b>Total Permitted</b>
290.00	<b>Total Disturbed</b>
	<b>Phase I</b>
	<b>Phase II</b>
	<b>Phase III</b>

#### Mineral Ownership

- ☒ Federal
- ☒ State
- ☐ County
- ☒ Fee
- ☐ Other

#### Types of Operations

- ☒ Underground
- ☐ Surface
- ☐ Loadout
- ☐ Processing
- ☐ Reprocessing

#### Report summary and status for pending enforcement actions, permit conditions, Division Orders, and amendments:

The purpose of this site was to conduct a partial inspection of the Hiawatha complex. The site is currently inactive except for the occasional loading of slurry from pond #1. There are no amendments pending.

Inspector's Signature: \_\_\_\_\_

Date Monday, September 11, 2006

Joe Helfrich, Environmental Scientist III

Inspector ID Number: 1

**Note:** This inspection report does not constitute an affidavit of compliance with the regulatory program of the Division of Oil, Gas and Mining.

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Permit Number: C0070011  
 Inspection Type: PARTIAL  
 Inspection Date: Wednesday, August 30, 2006

## Inspection Continuation Sheet

Page 2 of 3

### **REVIEW OF PERMIT, PERFORMANCE STANDARDS PERMIT CONDITION REQUIREMENTS**

1. Substantiate the elements on this inspection by checking the appropriate performance standard.
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	Evaluated	Not Applicable	Comment	Enforcement
1. Permits, Change, Transfer, Renewal, Sale	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>
2. Signs and Markers	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>
3. Topsoil	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
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4.e Hydrologic Balance: Effluent Limitations	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
5. Explosives	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
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11. Contemporaneous Reclamation	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
12. Backfilling And Grading	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
13. Revegetation	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
14. Subsidence Control	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
15. Cessation of Operations	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
16.a Roads: Construction, Maintenance, Surfacing	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
16.b Roads: Drainage Controls	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
17. Other Transportation Facilities	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
18. Support Facilities, Utility Installations	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
19. AVS Check	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
20. Air Quality Permit	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
21. Bonding and Insurance	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
22. Other	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>



**1. Permits, Change, Transfer, Renewal, Sale**

The DOGM permit was issued on March 14, 2002 and expires on March 14, 2007.

**2. Signs and Markers**

Signs containing the required information were posted at points of access to the mining facilities. At the time of this inspection, all points of access to the Hiawatha complex were open.

**4.b Hydrologic Balance: Sediment Ponds and Impoundments**

The ponds at the King 4 and 6 and 5 operations were inspected, they appeared to be stable showing no signs of erosion. All were dry at the time of this inspection.

**4.c Hydrologic Balance: Other Sediment Control Measures**

The diversion below the slurry pond should be cleaned of coal fines annually.

**4.d Hydrologic Balance: Water Monitoring**

This information was sent to Mr. Reynolds by way of "E" mail on 8/23/06 by Dave Darby, hydrologist for the Hiawatha complex.

"During our review of the water monitoring data submitted for Hiawatha Coal Mine, it has become apparent that several sites have not been reported and several of some parameters have not been reported on a monthly basis. I am sending you a file depicting the reported data (data in the DOGM Water Quality Database). Please review it. I want to discuss it with you by the end of this week. If you feel the need, I can meet with you and go over the monitoring requirements as listed in your MRP to ensure all future data is submitted.

There are four working tables showing missing and questionable data, permit requirements, regulatory requirements, and Table 7-16 parameter requirements."



## State of Utah

### Department of Natural Resources

MICHAEL R. STYLER  
*Executive Director*

### Division of Oil, Gas & Mining

JOHN R. BAZA  
*Division Director*

JON M. HUNTSMAN, JR.  
*Governor*

GARY R. HERBERT  
*Lieutenant Governor*

#### Representatives Present During the Inspection:

OGM	Priscilla Burton	Environmental Scientist III
OGM	Dana Dean	Environmental Scientist III
Company	Patrick D. Collins	Resident Agent

## Inspection Report

Permit Number:	C0070012
Inspection Type:	PARTIAL
Inspection Date:	Tuesday, August 29, 2006
Start Date/Time:	8/29/2006 9:00:00 AM
End Date/Time:	8/29/2006 1:00:00 PM
Last Inspection:	Monday, July 31, 2006

Inspector: Priscilla Burton, Environmental Scientist III

Weather: sun, 80

InspectionID Report Number: 1052

Accepted by: whedberg  
9/11/2006

Permittee: **NEVADA ELECTRIC INVESTMENT CO**

Operator: **NEVADA ELECTRIC INVESTMENT CO**

Site: **WELLINGTON PREPARATION PLANT**

Address: **330 E 400 S STE 6, PO BOX 337 SPRINGVILLE UT 84663**

County: **CARBON**

Permit Type: **PERMANENT COAL PROGRAM**

Permit Status: **ACTIVE**

#### Current Acreages

1,573.50	<b>Total Permitted</b>
392.00	<b>Total Disturbed</b>
	<b>Phase I</b>
	<b>Phase II</b>
	<b>Phase III</b>

#### Mineral Ownership

- ☐ Federal  
☐ State  
☐ County  
☒ Fee  
☐ Other

#### Types of Operations

- ☐ Underground  
☐ Surface  
☒ Loadout  
☒ Processing  
☐ Reprocessing

#### Report summary and status for pending enforcement actions, permit conditions, Division Orders, and amendments:

Rick Wild, Division of Water Rights; Karla Knoop, hydrologist with JBR Consultants; and Dan Guy, Engineer with Blackhawk Consulting were present at today's onsite meeting to discuss and review the water flow to the dryer pond and to discuss the water rights associated with the Price River Well and the Price River pumphouse.

Observed ditch UD-1A and determined that the ditch will be cleared of obstructions to maintain a positive downstream flow.

Inspector's Signature: \_\_\_\_\_

Date: Tuesday, August 29, 2006

Priscilla Burton, Environmental Scientist III

Inspector ID Number: 37

**Note:** This inspection report does not constitute an affidavit of compliance with the regulatory program of the Division of Oil, Gas and Mining.

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Permit Number: C0070012  
 Inspection Type: PARTIAL  
 Inspection Date: Tuesday, August 29, 2006

## Inspection Continuation Sheet

Page 2 of 5

### **REVIEW OF PERMIT, PERFORMANCE STANDARDS PERMIT CONDITION REQUIREMENTS**

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	Evaluated	Not Applicable	Comment	Enforcement
1. Permits, Change, Transfer, Renewal, Sale	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
2. Signs and Markers	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
3. Topsoil	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
4.a Hydrologic Balance: Diversions	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>
4.b Hydrologic Balance: Sediment Ponds and Impoundments	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>
4.c Hydrologic Balance: Other Sediment Control Measures	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
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4.e Hydrologic Balance: Effluent Limitations	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
5. Explosives	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
6. Disposal of Excess Spoil, Fills, Benches	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
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9. Protection of Fish, Wildlife and Related Environmental Issues	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>
10. Slides and Other Damage	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
11. Contemporaneous Reclamation	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>
12. Backfilling And Grading	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
13. Revegetation	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
14. Subsidence Control	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
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16.a Roads: Construction, Maintenance, Surfacing	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
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18. Support Facilities, Utility Installations	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
19. AVS Check	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
20. Air Quality Permit	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
21. Bonding and Insurance	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
22. Other	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>

**4.a Hydrologic Balance: Diversions**

Walked along ditch UD-1a and compared the ditch to typical cross section found on Plate G9-3503. Agreed that the important aspect of maintenance was to maintain the downstream grade as per design to ensure positive flow in the ditch and to divert the water away from the disturbed area. If a precipitation event breaches the berm and allows water to flow into the disturbed area, a notice of violation will be issued. Mr. Collins will modify the MRP to describe the required maintenance of the ditch (maintain downstream design grade for positive flow and prevent overtopping onto disturbed area). There was standing water in the ditch (approximately 1 ft deep). Mr. Collins will have the required maintenance done ASAP when the water level declines. Within the first 100 ft of ditch UD-1A there is a gully that has deposited a lot of sediment and the next precip. event may well wash out the berm and allow water to flow onto the disturbed area, so its imperative to do this maintenance quickly.

#### **4.b Hydrologic Balance: Sediment Ponds and Impoundments**

Water is flowing into the dryer pond at approximately 2 gpm. The Dryer pond and Price River and the Price River Pumphouse were located on Map E9-3341 Permit Area Facilities Map. The buried clearwater pipeline was noted on a 1987 version of the same map E9-3341. Karla Knoop provided a Stiff diagram of the water quality comparison from various sources at the Wellington site. The diagram has been included as an attachment to this inspection report. All parties were in agreement that the source of the water entering the dryer pond is the shallow groundwater traveling through the alluvium in the vicinity of the former Price River Pumphouse.

The Price River water well is submerged somewhere inside the housing that surrounds the well. The Permittee indicated that the Price River water well design was unknown, although Mr. Collins indicated that he may have historical records with that information. Back in 2004, when Covol used the well for dust suppression, they put a pump on the well and pumped water to the slurry ponds. After they pumped the well dry, it required 24 - 48 hours to recharge, according to the Permittee's representatives.

That the elevation of water in the Price River Water well housing is the same as the groundwater in the vicinity of the bog was agreed upon by all parties. However, the Division questioned, if there is no visible flow in the bog (which is fed by alluvial ground water), why would there be a 2 gpm flow into the buried pipe that leads to the dryer pond. The Division surmised that perhaps the pipe was not severed, but is still intact inside the foundation walls of the former pumphouse. If so, the foundation walls may be creating a containment space for water (a sump) and may create enough head to create flow into the buried pipe. The Price River Pumphouse foundation extended 20 ft. below the surface and neither the Permittee's representative nor the Division were present during the reclamation work and could not verify whether the foundation was thoroughly broken before backfilling, to prevent the creation of a water sump. The Division's image files have been searched and no photographic record was made of the reclamation that was conducted of the Price River Pumphouse.

The Permittee and representatives questioned the Division's grounds for needing to positively identify the location of the water source entering the culvert that brings flow to the dryer pond. The Division responded that this water right was an asset and protecting the water right was of importance to the Permittee; the identification of the source of water infiltration into the culvert would allow the Permittee to correct the situation and protect the water right.

#### **9. Protection of Fish, Wildlife and Related Environmental Issues**

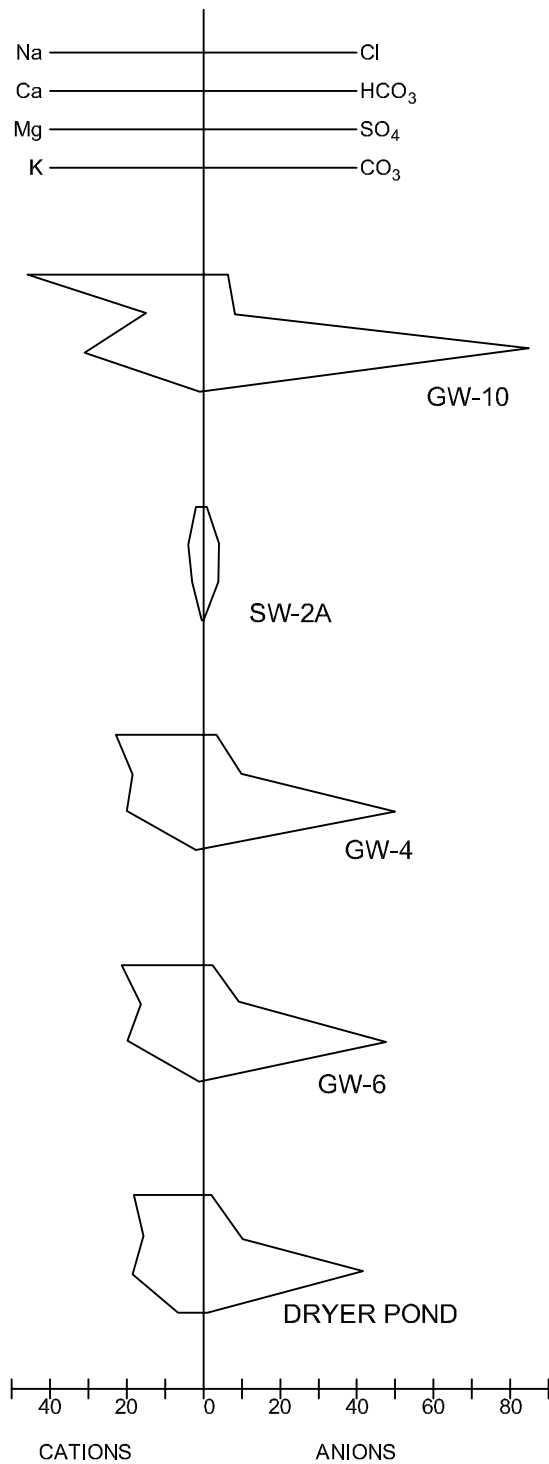
Mr. Wild indicated that a wildlife usage for the dryer pond water flow is not an acceptable water right use, unless the water right is held by the DWR, BLM, or USFS.

**11. Contemporaneous Reclamation**

All parties in attendance were in agreement that the contemporaneous reclamation of the Price River Pumphouse brought about by the theft of the pumps and housing structure is INTERIM reclamation, as FINAL reclamation will include sealing off the flow from the Price River pumphouse to the Dryer pond and closure or transfer of the Price River Water Well Right.

**22. Other**

Rick Wild described the water rights held by NEICO. NEICO's water rights are dedicated for an industrial use (with approximately 1/3 of the volume approved for agricultural use) at the points of diversion listed in the water right. He discussed the ways that NEICO could protect their water right through continued use, alternative use leases, and temporary non-use permits (when a gap in use of greater than five years is expected).



## WELLINGTON PREP PLANT

STIFF DIAGRAMS OF SELECTED WATER  
 SAMPLES COLLECTED FEBRUARY 2006



DESIGN  
 BY

KK

DRAWN  
 BY

CP

DATE  
 DRAWN

8/03/06

REVISION




## State of Utah

### Department of Natural Resources

MICHAEL R. STYLER  
*Executive Director*

### Division of Oil, Gas & Mining

JOHN R. BAZA  
*Division Director*

JON M. HUNTSMAN, JR.  
*Governor*

GARY R. HERBERT  
*Lieutenant Governor*

#### Representatives Present During the Inspection:

Company	Jay Marshall	Resident Agent
OGM	Steve Demczak	Environmental Scientist III

## Inspection Report

Permit Number:	C0070013
Inspection Type:	COMPLETE
Inspection Date:	Tuesday, August 01, 2006
Start Date/Time:	8/1/2006 9:00:00 AM
End Date/Time:	8/1/2006 11:00:00 AM
Last Inspection:	Monday, May 22, 2006

Inspector: Steve Demczak, Environmental Scientist III

Weather: Sunny, Low 80's

InspectionID Report Number: 1030

Accepted by: pgrubaug  
8/29/2006

Permittee: **UTAHAMERICAN ENERGY INC**

Operator: **UTAHAMERICAN ENERGY INC**

Site: **HORSE CANYON MINE**

Address: **PO BOX 986, PRICE UT 84501**

County: **CARBON**

Permit Type: **PERMANENT COAL PROGRAM**

Permit Status: **ACTIVE**

#### Current Acreages

1,327.75	<b>Total Permitted</b>
87.00	<b>Total Disturbed</b>
61.65	<b>Phase I</b>
	<b>Phase II</b>
	<b>Phase III</b>

#### Mineral Ownership

- ☒ Federal
- ☒ State
- ☒ County
- ☒ Fee
- ☐ Other

#### Types of Operations

- ☒ Underground
- ☐ Surface
- ☐ Loadout
- ☐ Processing
- ☐ Reprocessing

#### Report summary and status for pending enforcement actions, permit conditions, Division Orders, and amendments:

The purpose of this site visit was to conduct a complete inspection of the Horse Canyon reclaimed site. The permittee has submitted an application for development of the Lila Canyon mine. The remaining buildings and associated property have been turned over to the College of Eastern Utah as an industrial/educational post mining land use. The permittee has filed an application for phase three bond release which is currently under review.

The permittee must enter the water monitoring information into the Division's electronic data system. This is a permit condition.

Inspector's Signature: \_\_\_\_\_

Date Wednesday, August 02, 2006

Steve Demczak, Environmental Scientist III

Inspector ID Number: 39

**Note:** This inspection report does not constitute an affidavit of compliance with the regulatory program of the Division of Oil, Gas and Mining.

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Permit Number: C0070013  
 Inspection Type: COMPLETE  
 Inspection Date: Tuesday, August 01, 2006

## Inspection Continuation Sheet

Page 2 of 3

### **REVIEW OF PERMIT, PERFORMANCE STANDARDS PERMIT CONDITION REQUIREMENTS**

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2. Signs and Markers	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
3. Topsoil	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
4.a Hydrologic Balance: Diversions	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>
4.b Hydrologic Balance: Sediment Ponds and Impoundments	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>
4.c Hydrologic Balance: Other Sediment Control Measures	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
4.d Hydrologic Balance: Water Monitoring	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>
4.e Hydrologic Balance: Effluent Limitations	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
5. Explosives	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
6. Disposal of Excess Spoil, Fills, Benches	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
7. Coal Mine Waste, Refuse Piles, Impoundments	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
8. Noncoal Waste	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>
9. Protection of Fish, Wildlife and Related Environmental Issues	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
10. Slides and Other Damage	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
11. Contemporaneous Reclamation	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
12. Backfilling And Grading	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
13. Revegetation	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
14. Subsidence Control	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
15. Cessation of Operations	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
16.a Roads: Construction, Maintenance, Surfacing	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
16.b Roads: Drainage Controls	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
17. Other Transportation Facilities	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
18. Support Facilities, Utility Installations	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>
19. AVS Check	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
20. Air Quality Permit	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
21. Bonding and Insurance	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>
22. Other	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>

**4.a Hydrologic Balance: Diversions**

The diversions were spot-checked and found to be functioning as designed.

**4.b Hydrologic Balance: Sediment Ponds and Impoundments**

The second quarter sediment pond inspection was undertaken. This document is also the annual sediment pond inspection. No hazardous conditions were reported.

**4.d Hydrologic Balance: Water Monitoring**

The permittee has taken the second quarter water samples. The company is in the process of gathering third quarter water samples.

**8. Noncoal Waste**

The area was generally clear of non coal waste material.

**18. Support Facilities, Utility Installations**

No new support facilities have been added since the last inspection.

**21. Bonding and Insurance**

Bond number SUR004892 for \$1,137,726 was increased to \$1,253,000 on January 24, 2001. Phase II Bond Release was approved on February 12, 2003, which dropped the bond by \$191,672. The current bond is now \$1,061,328. The bond is through Lincoln General Insurance Co. This Bond is for Part A (Horse Canyon).

Bond number SB9905586 is for Part B (Lila Canyon Extension). The Bond amount is \$1,556,000 from XL Specialty Insurance. The Lila Canyon Extension has been submitted to the Division and is currently under review.

Insurance is through Federal Insurance Company policy #37104410. The insurance was issued on 06/01/2006 and expires on 06/01/2007. Explosive coverage is noted. The minimum coverage is met and the certificate holder is listed as the State of Utah, Division of Oil, Gas and Mining.



## State of Utah

### Department of Natural Resources

MICHAEL R. STYLER  
*Executive Director*

### Division of Oil, Gas & Mining

JOHN R. BAZA  
*Division Director*

JON M. HUNTSMAN, JR.  
*Governor*

GARY R. HERBERT  
*Lieutenant Governor*

#### Representatives Present During the Inspection:

Company	Dan Guy
OGM	Joe Helfrich Environmental Scientist III
OGM	Dave Darby Environmental Scientist III
OGM	Wayne Western Environmental Scientist III

## Inspection Report

Permit Number:	C0070016
Inspection Type:	PARTIAL
Inspection Date:	Wednesday, August 16, 2006
Start Date/Time:	8/16/2006 9:30:00 AM
End Date/Time:	8/16/2006 1:00:00 PM
Last Inspection:	Wednesday, July 19, 2006

Inspector: Joe Helfrich, Environmental Scientist III

Weather: Sunny some clouds, slight breeze, cool 70

InspectionID Report Number: 1060

Accepted by: whedberg

9/11/2006

Permittee: **MOUNTAIN COAL CO**

Operator: **MOUNTAIN COAL CO**

Site: **GORDON CREEK 2, 7 & 8 MINES**

Address: **HC 35 BOX 380, HELPER UT 84526**

County: **CARBON**

Permit Type: **PERMANENT COAL PROGRAM**

Permit Status: **RECLAIMED**

#### Current Acreages

179.27	<b>Total Permitted</b>
34.15	<b>Total Disturbed</b>
34.15	<b>Phase I</b>
	<b>Phase II</b>
0.73	<b>Phase III</b>

#### Mineral Ownership

- ☒ Federal  
☐ State  
☐ County  
☒ Fee  
☐ Other

#### Types of Operations

- ☒ Underground  
☐ Surface  
☐ Loadout  
☐ Processing  
☐ Reprocessing

#### Report summary and status for pending enforcement actions, permit conditions, Division Orders, and amendments:

The purpose of this site visit was to conduct a partial inspection of the Gordon Creek 2, 7 and 8 reclaimed site. Staff members noted in this report attended to evaluate the site prior to the phase two bond release inspection. There were no compliance issues or off-site impacts noted during this inspection.

There is one amendment pending, the application for Phase II bond release, Task ID #2384. The amendment has been reviewed by the DOGM staff. The following deficiencies were noted:

-R645-301-880.120, the Permittee must include in the newspaper advertisement, the type of bond held, and when the Permittee completed seeding.

-R645-301-880.130, The Permittee must include a notarized statement which certifies that all the applicable reclamation activities have been accomplished in accordance with the requirements of the R645 Rules.

-R645-301-830, The Permittee must include a map that shows the following so that the Division can determine the amount of bond that is needed to ensure reclamation in the event of bond forfeiture: the reclamation dates and acreages of each reclaimed area, the operation or reclamation status of each area, such as active; temporary cessation; or phase bond release and, areas proposed for bond release.

A response was submitted on July 27, 2006 and the review is due on September 26, 2006 for Task ID #2591.

Inspector's Signature: \_\_\_\_\_

Date Wednesday, August 23, 2006

Joe Helfrich, Environmental Scientist III

Inspector ID Number: 1

**Note:** This inspection report does not constitute an affidavit of compliance with the regulatory program of the Division of Oil, Gas and Mining.

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Permit Number: C0070016  
 Inspection Type: PARTIAL  
 Inspection Date: Wednesday, August 16, 2006

## Inspection Continuation Sheet

Page 2 of 3

### **REVIEW OF PERMIT, PERFORMANCE STANDARDS PERMIT CONDITION REQUIREMENTS**

1. Substantiate the elements on this inspection by checking the appropriate performance standard.
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  - b. For PARTIAL inspections check only the elements evaluated.
2. Document any noncompliance situation by reference the NOV issued at the appropriate performance standard listed below.
3. Reference any narratives written in conjunction with this inspection at the appropriate performance standard listed below.
4. Provide a brief status report for all pending enforcement actions, permit conditions, Divison Orders, and amendments.

	Evaluated	Not Applicable	Comment	Enforcement
1. Permits, Change, Transfer, Renewal, Sale	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
2. Signs and Markers	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
3. Topsoil	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
4.a Hydrologic Balance: Diversions	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>
4.b Hydrologic Balance: Sediment Ponds and Impoundments	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>
4.c Hydrologic Balance: Other Sediment Control Measures	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
4.d Hydrologic Balance: Water Monitoring	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
4.e Hydrologic Balance: Effluent Limitations	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
5. Explosives	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
6. Disposal of Excess Spoil, Fills, Benches	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
7. Coal Mine Waste, Refuse Piles, Impoundments	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
8. Noncoal Waste	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
9. Protection of Fish, Wildlife and Related Environmental Issues	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
10. Slides and Other Damage	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
11. Contemporaneous Reclamation	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
12. Backfilling And Grading	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
13. Revegetation	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>
14. Subsidence Control	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
15. Cessation of Operations	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
16.a Roads: Construction, Maintenance, Surfacing	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
16.b Roads: Drainage Controls	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
17. Other Transportation Facilities	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
18. Support Facilities, Utility Installations	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
19. AVS Check	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
20. Air Quality Permit	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
21. Bonding and Insurance	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>
22. Other	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>

**4.a Hydrologic Balance: Diversions**

The three diversions located within the reclaimed site were in good repair and functioning adequately.

**4.b Hydrologic Balance: Sediment Ponds and Impoundments**

There were several inches of water in the sed pond and upper pond. The upper pond is receiving water from the spring located about 100' upstream near the base of the reclaimed cut slope.

**13. Revegetation**

There are a few areas throughout the site where thistle is located. They should be addressed prior to the bond release inspection. Cattle, deer and elk have been grazing on the vegetation in the reclaimed area. The fence below the spring is slated to be removed as the vegetation is well established throughout the site.

**21. Bonding and Insurance**

The phase two bond release inspection is scheduled for September 28, 2006.



## State of Utah

### Department of Natural Resources

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*Executive Director*

### Division of Oil, Gas & Mining

JOHN R. BAZA  
*Division Director*

JON M. HUNTSMAN, JR.  
*Governor*

GARY R. HERBERT  
*Lieutenant Governor*

#### Representatives Present During the Inspection:

Company	Mike W. Glasson	Environmental Coordinator
OGM	Karl Houskeeper	Environmental Scientist III

## Inspection Report

Permit Number:	<b>C0070019</b>
Inspection Type:	<b>COMPLETE</b>
Inspection Date:	Friday, August 11, 2006
Start Date/Time:	8/11/2006 8:00:00 AM
End Date/Time:	8/11/2006 12:00:00 PM
Last Inspection:	Thursday, June 22, 2006

Inspector: Karl Houskeeper, Environmental Scientist III

Weather: Clear, Temp. 84 Deg. F.

InspectionID Report Number: 1037

Accepted by: pgrubaug  
8/29/2006

Permittee: **ANDALEX RESOURCES INC TOWER DIVISION**  
Operator: **ANDALEX RESOURCES INC TOWER DIVISION**  
Site: **CENTENNIAL MINE**  
Address: **6750 AIRPORT RD, PO BOX 902 PRICE UT 84501**  
County: **CARBON**  
Permit Type: **PERMANENT COAL PROGRAM**  
Permit Status: **ACTIVE**

#### Current Acreages

6,602.02	<b>Total Permitted</b>
35.27	<b>Total Disturbed</b>
	<b>Phase I</b>
	<b>Phase II</b>
	<b>Phase III</b>

#### Mineral Ownership

- ☒ Federal  
☒ State  
☐ County  
☒ Fee  
☐ Other

#### Types of Operations

- ☒ Underground  
☐ Surface  
☐ Loadout  
☐ Processing  
☐ Reprocessing

#### Report summary and status for pending enforcement actions, permit conditions, Division Orders, and amendments:

The only permit condition currently in place is that the permittee must submit all water monitoring data in an electronic format to the Division's web site.

ANDALEX Resources Inc. was bought by UtahAmerican Energy on August 9, 2006. The purchase was an asset and stock purchase. Information contained in this inspection report will be reflective of the information on file for ANDALEX Resources Inc., since this inspection was conducted only two days after the sale and no new information has been submitted to the Division on behalf of UtahAmerican Energy.

Inspector's Signature: \_\_\_\_\_

Date: Friday, August 11, 2006

Karl Houskeeper, Environmental Scientist III

Inspector ID Number: 49

**Note:** This inspection report does not constitute an affidavit of compliance with the regulatory program of the Division of Oil, Gas and Mining.

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Permit Number: C0070019  
 Inspection Type: COMPLETE  
 Inspection Date: Friday, August 11, 2006

## Inspection Continuation Sheet

Page 2 of 4

### **REVIEW OF PERMIT, PERFORMANCE STANDARDS PERMIT CONDITION REQUIREMENTS**

1. Substantiate the elements on this inspection by checking the appropriate performance standard.
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	Evaluated	Not Applicable	Comment	Enforcement
1. Permits, Change, Transfer, Renewal, Sale	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>
2. Signs and Markers	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>
3. Topsoil	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>
4.a Hydrologic Balance: Diversions	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
4.b Hydrologic Balance: Sediment Ponds and Impoundments	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>
4.c Hydrologic Balance: Other Sediment Control Measures	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
4.d Hydrologic Balance: Water Monitoring	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>
4.e Hydrologic Balance: Effluent Limitations	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>
5. Explosives	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
6. Disposal of Excess Spoil, Fills, Benches	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
7. Coal Mine Waste, Refuse Piles, Impoundments	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
8. Noncoal Waste	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
9. Protection of Fish, Wildlife and Related Environmental Issues	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
10. Slides and Other Damage	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
11. Contemporaneous Reclamation	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
12. Backfilling And Grading	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
13. Revegetation	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
14. Subsidence Control	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
15. Cessation of Operations	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
16.a Roads: Construction, Maintenance, Surfacing	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
16.b Roads: Drainage Controls	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
17. Other Transportation Facilities	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
18. Support Facilities, Utility Installations	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>
19. AVS Check	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
20. Air Quality Permit	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>
21. Bonding and Insurance	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>
22. Other	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>

## **1. Permits, Change, Transfer, Renewal, Sale**

The only permit condition currently in place is that the permittee must submit all water monitoring data in an electronic format to the Division's web site.

The current DOGM permit was re-issued effective 09/09/2004, to include the incidental boundary change in the Summit Tract, and expires 01/06/2007.

- Certificate of Insurance issued 07/01/2006 and terminates 07/01/2007.
- Reclamation agreement dated and signed February 1990 (amended January 2001).
- UPDES permit UTG040008 effective 05/01/2003 and expires midnight 04/30/2008.
- Air Quality permit DAQE-997-96, issued October 25, 1996.
- SPCC Plan dated 08/29/2003. (This plan needs to be reviewed, updated if needed and re-certified by a P.E. The CFR requires re-certification once every three years.)

## **2. Signs and Markers**

The mine permit ID sign located at the contact point of the public access to the permit area. The name ANDALEX Resources has been covered, since the purchase by UtahAmerican Energy. New signs need to be installed as soon as possible to reflect the changes.

Other signs and markers observed during the inspection met the coal rules.

## **3. Topsoil**

The topsoil pile sign adjacent to the de-commissioned sediment pond needs to be re-mounted on the post.

## **4.b Hydrologic Balance: Sediment Ponds and Impoundments**

Ponds B, C & E were inspected on 6/26/06 for the second quarter 2006. No problems were noted.

## **4.d Hydrologic Balance: Water Monitoring**

Second Quarter 2006 water monitoring is in the EDI website, but has not been uploaded. Water monitoring is current.

## **4.e Hydrologic Balance: Effluent Limitations**

The discharge monitoring reports for June 2006 were viewed. The only discharge occurred from outfall 004. This discharge exceeded the daily loading max. DEQ is aware of the problem and is in the process of issuing a site specific permit instead of the general permit.

## **18. Support Facilities, Utility Installations**

All signs including portal collars that had the name ANDALEX have been removed or covered with the sale of the mine on August 9, 2006 to UtahAmerican Energy.



**20. Air Quality Permit**

The air quality permit DAQE-997-96 referenced above was issued on October 25, 1996 and remains in effect.

**21. Bonding and Insurance**

The insurance referenced in item #1 above is through Federal Insurance Company, policy #37102594. The insurance has explosion coverage, meets the minimum coverage requirements, lists the Division as the certificate holder, and has the proper language on the notification policy.

Bond No. SU34593 is for \$381,839 and Bond No. SU1354086 is for \$699,000. Both bonds remain in effect for the term of the permit and are through Utica Mutual Insurance Company.



## State of Utah

### Department of Natural Resources

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*Executive Director*

### Division of Oil, Gas & Mining

JOHN R. BAZA  
*Division Director*

JON M. HUNTSMAN, JR.  
*Governor*

GARY R. HERBERT  
*Lieutenant Governor*

#### Representatives Present During the Inspection:

Company	Kit Pappas	Environmental Coordinator
OGM	Karl Houskeeper	Environmental Scientist III

## Inspection Report

Permit Number:	<b>C0070020</b>
Inspection Type:	PARTIAL
Inspection Date:	Friday, August 25, 2006
Start Date/Time:	8/25/2006 10:00:00 AM
End Date/Time:	8/25/2006 1:00:00 PM
Last Inspection:	Friday, July 28, 2006

Inspector: Karl Houskeeper, Environmental Scientist III

Weather: Cloudy, Temp. 69 Deg.F.

InspectionID Report Number: 1050

Accepted by: pgrubaug  
8/29/2006

Permittee: **HIDDEN SPLENDOR RESOURCES INC**

Operator: **HIDDEN SPLENDOR RESOURCES INC**

Site: **HORIZON MINE**

Address: **3266 S 125 W, PRICE UT 84501**

County: **CARBON**

Permit Type: **PERMANENT COAL PROGRAM**

Permit Status: **ACTIVE**

#### Current Acreages

1,577.00	<b>Total Permitted</b>
9.50	<b>Total Disturbed</b>
	<b>Phase I</b>
	<b>Phase II</b>
	<b>Phase III</b>

#### Mineral Ownership

- ☒ Federal  
☐ State  
☐ County  
☒ Fee  
☐ Other

#### Types of Operations

- ☒ Underground  
☐ Surface  
☐ Loadout  
☐ Processing  
☐ Reprocessing

**Report summary and status for pending enforcement actions, permit conditions, Division Orders, and amendments:**

Permit Condition #1 states that Hidden Splendor Resources will enter their water monitoring information into the electronic database, EDI. This condition is being met.

**Inspector's Signature:**

**Date**

Friday, August 25, 2006

Karl Houskeeper, Environmental Scientist III

Inspector ID Number: 49

**Note:** This inspection report does not constitute an affidavit of compliance with the regulatory program of the Division of Oil, Gas and Mining.

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Permit Number: C0070020  
 Inspection Type: PARTIAL  
 Inspection Date: Friday, August 25, 2006

## Inspection Continuation Sheet

Page 2 of 3

### **REVIEW OF PERMIT, PERFORMANCE STANDARDS PERMIT CONDITION REQUIREMENTS**

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3. Topsoil	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
4.a Hydrologic Balance: Diversions	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
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4.c Hydrologic Balance: Other Sediment Control Measures	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
4.d Hydrologic Balance: Water Monitoring	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>
4.e Hydrologic Balance: Effluent Limitations	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
5. Explosives	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
6. Disposal of Excess Spoil, Fills, Benches	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
7. Coal Mine Waste, Refuse Piles, Impoundments	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
8. Noncoal Waste	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>
9. Protection of Fish, Wildlife and Related Environmental Issues	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
10. Slides and Other Damage	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
11. Contemporaneous Reclamation	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
12. Backfilling And Grading	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
13. Revegetation	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
14. Subsidence Control	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
15. Cessation of Operations	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
16.a Roads: Construction, Maintenance, Surfacing	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
16.b Roads: Drainage Controls	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
17. Other Transportation Facilities	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
18. Support Facilities, Utility Installations	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>
19. AVS Check	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
20. Air Quality Permit	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
21. Bonding and Insurance	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
22. Other	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>

**1. Permits, Change, Transfer, Renewal, Sale**

Permit Condition #1 states that Hidden Splendor Resources will enter their water monitoring information into the electronic database, EDI. This condition is being met.

**2. Signs and Markers**

The mine ID sign was observed at the point of public access to the mine. The sign contained the name of the mine, permit number, and MSHA number. The sign has been modified to include the address and phone number.

**4.d Hydrologic Balance: Water Monitoring**

Second quarter 2006 water monitoring is in the EDI website and has been uploaded. Water monitoring is current.

**8. Noncoal Waste**

Several items of noncoal waste items have blown around the undisturbed inlet. The operator made arrangements with site personnel to clean the area.

**18. Support Facilities, Utility Installations**

Pallets of oil and grease were located on the pad between the office and portals. If oil is to be stored on the surface for a duration of time instead of being transported directly underground, then the operator needs to design and get approved an oil storage facility/containment.



## State of Utah

### Department of Natural Resources

MICHAEL R. STYLER  
*Executive Director*

### Division of Oil, Gas & Mining

JOHN R. BAZA  
*Division Director*

JON M. HUNTSMAN, JR.  
*Governor*

GARY R. HERBERT  
*Lieutenant Governor*

#### Representatives Present During the Inspection:

Company	Dan Guy
OGM	Pete Hess Environmental Scientist III

## Inspection Report

Permit Number:	<b>C0070022</b>
Inspection Type:	PARTIAL
Inspection Date:	Wednesday, August 30, 2006
Start Date/Time:	8/30/2006 12:53:00 PM
End Date/Time:	8/30/2006 1:30:00 PM
Last Inspection:	Friday, July 28, 2006

Inspector: Pete Hess, Environmental Scientist III

Weather: Warm, 80's F. Some cumulus clouds.

InspectionID Report Number: 1056

Accepted by: whedberg  
9/11/2006

Permittee: **SAVAGE SERVICES CORP**

Operator: **SAVAGE SERVICES CORP**

Site: **SAVAGE COAL TERMINAL**

Address: **6340 S 3000 E STE 600, SALT LAKE CITY UT 84121**

County: **CARBON**

Permit Type: **PERMANENT COAL PROGRAM**

Permit Status: **ACTIVE**

#### Current Acreages

160.00	<b>Total Permitted</b>
122.28	<b>Total Disturbed</b>
	<b>Phase I</b>
	<b>Phase II</b>
	<b>Phase III</b>

#### Mineral Ownership

- ☐ Federal  
☐ State  
☐ County  
☐ Fee  
☒ Other

#### Types of Operations

- ☒ Underground  
☒ Surface  
☒ Loadout  
☐ Processing  
☐ Reprocessing

#### Report summary and status for pending enforcement actions, permit conditions, Division Orders, and amendments:

The submittal of quarterly water monitoring information is current; the Permittee continues to meet the Special Permit Condition included as Attachment "A" of the current State permit.

Construction activities at the site continue; Task ID #2613, which pertains to the construction of four settling ponds in the NW corner of the disturbed area is under review within the Division. The Division received a response to deficiencies relative to this amendment on August 23, 2006.

Inspector's Signature: \_\_\_\_\_

Date Wednesday, August 30, 2006

Pete Hess, Environmental Scientist III

Inspector ID Number: 46

**Note:** This inspection report does not constitute an affidavit of compliance with the regulatory program of the Division of Oil, Gas and Mining.

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telephone (801) 538-5340 • facsimile (801) 359-3940 • TTY (801) 538-7458 • [www.ogm.utah.gov](http://www.ogm.utah.gov)

Permit Number: C0070022

Inspection Type: PARTIAL

Inspection Date: Wednesday, August 30, 2006

## Inspection Continuation Sheet

Page 2 of 3

### **REVIEW OF PERMIT, PERFORMANCE STANDARDS PERMIT CONDITION REQUIREMENTS**

1. Substantiate the elements on this inspection by checking the appropriate performance standard.
  - a. For COMPLETE inspections provide narrative justification for any elements not fully inspected unless element is not appropriate to the site, in which case check Not Applicable.
  - b. For PARTIAL inspections check only the elements evaluated.
2. Document any noncompliance situation by reference the NOV issued at the appropriate performance standard listed below.
3. Reference any narratives written in conjunction with this inspection at the appropriate performance standard listed below.
4. Provide a brief status report for all pending enforcement actions, permit conditions, Divison Orders, and amendments.

	Evaluated	Not Applicable	Comment	Enforcement
1. Permits, Change, Transfer, Renewal, Sale	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
2. Signs and Markers	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
3. Topsoil	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
4.a Hydrologic Balance: Diversions	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
4.b Hydrologic Balance: Sediment Ponds and Impoundments	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>
4.c Hydrologic Balance: Other Sediment Control Measures	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>
4.d Hydrologic Balance: Water Monitoring	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
4.e Hydrologic Balance: Effluent Limitations	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
5. Explosives	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
6. Disposal of Excess Spoil, Fills, Benches	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
7. Coal Mine Waste, Refuse Piles, Impoundments	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
8. Noncoal Waste	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>
9. Protection of Fish, Wildlife and Related Environmental Issues	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
10. Slides and Other Damage	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
11. Contemporaneous Reclamation	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
12. Backfilling And Grading	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
13. Revegetation	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
14. Subsidence Control	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
15. Cessation of Operations	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
16.a Roads: Construction, Maintenance, Surfacing	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
16.b Roads: Drainage Controls	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
17. Other Transportation Facilities	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
18. Support Facilities, Utility Installations	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>
19. AVS Check	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
20. Air Quality Permit	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>
21. Bonding and Insurance	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
22. Other	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>

#### **4.b Hydrologic Balance: Sediment Ponds and Impoundments**

Based upon Mr. Guy's inspection/P.E. certification of pond #5, it was determined that the Permittee has completed the cleanout of that pond sometime prior to August 15th, 2006. Mr. Guy also provided P.E. certifications for ponds which had been cleaned in July of 2006 on this day. The Permittee has now met the certification requirements of R645-301-514.312 for sediment ponds confirming that the impoundments are being maintained as designed.

#### **4.c Hydrologic Balance: Other Sediment Control Measures**

The Permittee has placed two straw bales up-gradient of the 24-inch culvert located in the NE corner of the disturbed area. Mr. Guy stated it was his intent to permanently replace the fence with bales as treatment for the runoff from this alternate sediment control area. Mr. Guy was asked to update the ASCA description in the mining and reclamation plan to incorporate the new treatment mechanism.

#### **8. Noncoal Waste**

The Permittee has initiated the cleanup and disposal of several non-coal waste items from the equipment storage area located ENE of the wash plant building. A flat bed trailer was observed having several derelict components. According to Mr. Guy, an outside contractor has been hired to remove and dispose of items having no future use. The items to be retained are to be stripped for usable components and stored in an orderly fashion. The pile of rail, and associated track debris which was observed 100 feet SSE of the 10,000 ton storage silo (July 2006 inspection report) has been determined to belong to the railroad. The Permittee is not responsible for removal of this material.

#### **18. Support Facilities, Utility Installations**

The Permittee has completed the construction activities associated with the new coal stacking tube located NE of the truck dump; the unit is handling product for storage purposes. The radial stacker located on the North side of the wash plant building (conveyor 1c) has been constructed. The conveyor structure for the new minus 1/4 inch clean coal conveyor (conveyor 1d) is in place. A support tower for the re-located refuse conveyor has been set. The Permittee has also placed road base material east of the pumphouse for the new concrete water truck pad. Form setting is the next step. Runoff from this pad will be returned to the sump area of the pumphouse.

#### **20. Air Quality Permit**

According to Mr. Dan Guy, P.E., the new air quality approval order for the site has been signed by the permittee's representative, Mr. Boyd Rhodes. To date, Mr. Guy has not seen the new approval order, but it is believed that everything is in place and receipt of the new permit is pending. The Permittee's water truck was being filled during today's inspection. Evidence of recent water applications to the site's haul roads was visible.



## State of Utah

### Department of Natural Resources

MICHAEL R. STYLER  
*Executive Director*

### Division of Oil, Gas & Mining

JOHN R. BAZA  
*Division Director*

JON M. HUNTSMAN, JR.  
*Governor*

GARY R. HERBERT  
*Lieutenant Governor*

#### Representatives Present During the Inspection:

OGM	Pete Hess	Environmental Scientist III
Company	Scott Dimick	Superintendent

## Inspection Report

Permit Number:	<b>C0070033</b>
Inspection Type:	<b>COMPLETE</b>
Inspection Date:	Tuesday, August 15, 2006
Start Date/Time:	8/15/2006 10:13:00 AM
End Date/Time:	8/15/2006 12:20:00 PM
Last Inspection:	Friday, July 14, 2006

Inspector: Pete Hess, Environmental Scientist III

Weather: Sunny, hot; thunderstorm event during inspection.

InspectionID Report Number: 1041

Accepted by: whedberg  
9/11/2006

Permittee: **ANDALEX RESOURCES INC TOWER DIVISION**  
Operator: **ANDALEX RESOURCES INC TOWER DIVISION**  
Site: **WILDCAT LOADOUT**  
Address: **6750 AIRPORT RD, PO BOX 902 PRICE UT 84501**  
County: **CARBON**  
Permit Type: **PERMANENT COAL PROGRAM**  
Permit Status: **ACTIVE**

#### Current Acreages

100.00	<b>Total Permitted</b>
63.70	<b>Total Disturbed</b>
	<b>Phase I</b>
	<b>Phase II</b>
	<b>Phase III</b>

#### Mineral Ownership

- ☒ Federal  
☐ State  
☐ County  
☐ Fee  
☐ Other

#### Types of Operations

- ☐ Underground  
☐ Surface  
☒ Loadout  
☒ Processing  
☐ Reprocessing

#### Report summary and status for pending enforcement actions, permit conditions, Division Orders, and amendments:

Murray Energy Corporation completed the purchase of all shares of Andalex Resources common stock on August 9, 2006, transferring that part of the ownership of the four Utah sites to that entity. The legal representatives of the new owners have notified the Division that new ownership and control information as well as permit transfer applications will be forth coming in the near future.

The Permittee continues to submit surface water monitoring information to the Division electronic data base web site on a quarterly basis, as required by the Special Permit Condition included as Attachment "A" of the current State permit.

The Division Order issued relative to the submittal of design drawings and specifications (for fugitive dust suppression at this site) remains pending. There are no other compliance issues at this time.

Inspector's Signature: \_\_\_\_\_

Date: Tuesday, August 15, 2006

Pete Hess, Environmental Scientist III

Inspector ID Number: 46

**Note:** This inspection report does not constitute an affidavit of compliance with the regulatory program of the Division of Oil, Gas and Mining.

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Permit Number: C0070033  
 Inspection Type: COMPLETE  
 Inspection Date: Tuesday, August 15, 2006

## Inspection Continuation Sheet

Page 2 of 4

### **REVIEW OF PERMIT, PERFORMANCE STANDARDS PERMIT CONDITION REQUIREMENTS**

1. Substantiate the elements on this inspection by checking the appropriate performance standard.
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4. Provide a brief status report for all pending enforcement actions, permit conditions, Divison Orders, and amendments.

	Evaluated	Not Applicable	Comment	Enforcement
1. Permits, Change, Transfer, Renewal, Sale	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>
2. Signs and Markers	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>
3. Topsoil	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
4.a Hydrologic Balance: Diversions	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>
4.b Hydrologic Balance: Sediment Ponds and Impoundments	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>
4.c Hydrologic Balance: Other Sediment Control Measures	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>
4.d Hydrologic Balance: Water Monitoring	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>
4.e Hydrologic Balance: Effluent Limitations	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>
5. Explosives	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>
6. Disposal of Excess Spoil, Fills, Benches	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
7. Coal Mine Waste, Refuse Piles, Impoundments	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>
8. Noncoal Waste	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
9. Protection of Fish, Wildlife and Related Environmental Issues	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>
10. Slides and Other Damage	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
11. Contemporaneous Reclamation	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
12. Backfilling And Grading	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
13. Revegetation	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
14. Subsidence Control	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
15. Cessation of Operations	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
16.a Roads: Construction, Maintenance, Surfacing	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
16.b Roads: Drainage Controls	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
17. Other Transportation Facilities	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
18. Support Facilities, Utility Installations	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
19. AVS Check	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>
20. Air Quality Permit	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>
21. Bonding and Insurance	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
22. Other	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>

## **1. Permits, Change, Transfer, Renewal, Sale**

As noted above, the Wildcat Loadout is one of the Andalex properties which has been purchased by Murray Energy Corporation. Permit transfer applications, and new ownership information submittals are pending.

## **2. Signs and Markers**

Any reference to Andalex Resources, Inc., has been removed from the site, per instruction from officials of Murray Energy Corporation. Identification signs at points of access from public roads contain the DOGM permit numbers, as well as local contact information. The MSHA identification sign located at the toe of the waste rock pile has been displaced, probably due to high winds. Mr. Dimick made note of this.

### **4.a Hydrologic Balance: Diversions**

Mr. Dimick indicated that the event which occurred on July 30, 2006 dropped 1.3 inches of rain on the Wildcat site. All diversions at the site had recently been redefined, and appeared to be capable of functioning as designed.

### **4.b Hydrologic Balance: Sediment Ponds and Impoundments**

Mr. Dan Guy, P.E., completed the second quarter and annual impoundment inspections and certifications for the site's six sediment ponds on May 2, 2006. All ponds were cleaned during March, 2006. All ponds were noted as being stable, with no hazardous conditions noted. New sediment markers were installed following the completion of cleaning activities. This inspection meets the requirements of R645-301-514.312. As observed this day, all ponds contained water from the previous recent events. There were no compliance issues noted.

### **4.c Hydrologic Balance: Other Sediment Control Measures**

A berm on the SE corner of the active lift on the waste rock disposal area was observed to have breached. The Permittee should repair this from a safety aspect, and to minimize further erosion of the pile. All runoff from this pile reports to pond "F".

### **4.d Hydrologic Balance: Water Monitoring**

The Permittee notified the DOGM on August 11, 2006 that the second quarter of 2006 surface water monitoring information for the Wildcat Loadout was in the pipeline, and was acceptable for uploading to the DOGM EDI web site. The information was uploaded by OGM personnel on August 15, 2006, meeting the Special Permit Condition included as Attachment "A" of the current State permit. The Permittee has been reminded that the approved surface water monitoring regime for this site requires water sample collection during rainfall events, when possible. The Division must stress that sample collection IS NOT to be performed if there is a chance of endangering personnel due to flash flood events.

**4.e Hydrologic Balance: Effluent Limitations**

The current UPDES permit remains in effect until April 30, 2008. DMR's for the month of June, 2006 were reviewed; none of the site's six UPDES outfalls reported flows. All reports were submitted in a timely fashion.

**5. Explosives**

The Permittee's general liability insurance coverage provides for damage incurred from the use of explosives (XCU). There are no detonator or explosive storage magazines at this site.

**7. Coal Mine Waste, Refuse Piles, Impoundments**

A few pieces of wood (combustible material having a lower ignition temperature than coal) were observed in the most recently placed piles of coal mine waste. The Permittee was asked to remove these and properly dispose of same. The second quarter of 2006 inspection for this waste rock facility was conducted on May 2nd. There were no signs of instability noted during Mr. Guy's inspection. There were no indications of spontaneous combustion or other hazards noted during today's inspection. The required P.E. certification of the Permittee's inspection was conducted on 5/2.

**9. Protection of Fish, Wildlife and Related Environmental Issues**

The spill prevention control and counter measure plan for this site was last certified by Mr. Dan Guy, Utah registered professional engineer, on August 29, 2003. According to CFR requirements, this recertification should be renewed every three years. The Permittee was asked to follow through with recertification of the plan. No changes have been made at the site relative to bulk fuel and lubricant containment.

**19. AVS Check**

As noted above, new ownership and control information to reflect Murray Energy Corporation and Utah American is forthcoming.

**20. Air Quality Permit**

A review of the current Air Quality approval order revealed that the Permittee must notify the Utah DEQ / DAQ agency when ever a change in ownership of the facility occurs. This was mentioned to Mr. Mike Glasson following today's inspection.



## State of Utah

### Department of Natural Resources

MICHAEL R. STYLER  
*Executive Director*

### Division of Oil, Gas & Mining

JOHN R. BAZA  
*Division Director*

JON M. HUNTSMAN, JR.  
*Governor*

GARY R. HERBERT  
*Lieutenant Governor*

#### Representatives Present During the Inspection:

Company	Rusty Netz	Environmental Coordinator
OGM	Karl Houskeeper	Environmental Scientist III

## Inspection Report

Permit Number:	<b>C0070035</b>
Inspection Type:	<b>COMPLETE</b>
Inspection Date:	Tuesday, August 22, 2006
Start Date/Time:	8/22/2006 12:00:00 PM
End Date/Time:	8/22/2006 3:00:00 PM
Last Inspection:	Friday, July 14, 2006

Inspector: Karl Houskeeper, Environmental Scientist III

Weather: Partly Cloudy, Temp. 86 Deg. F.

InspectionID Report Number: 1047

Accepted by: pgrubaug  
8/29/2006

Permittee: **SUNNYSIDE COGENERATION ASSOCIATES**

Operator: **SUNNYSIDE COGENERATION ASSOCIATES**

Site: **SUNNYSIDE REFUSE & SLURRY**

Address: **PO BOX 159, SUNNYSIDE UT 84539**

County: **CARBON**

Permit Type: **PERMANENT COAL PROGRAM**

Permit Status: **ACTIVE**

#### Current Acreages

310.00	<b>Total Permitted</b>
202.00	<b>Total Disturbed</b>
	<b>Phase I</b>
	<b>Phase II</b>
	<b>Phase III</b>

#### Mineral Ownership

- ☐ Federal  
☐ State  
☐ County  
☒ Fee  
☐ Other

#### Types of Operations

- ☐ Underground  
☐ Surface  
☐ Loadout  
☐ Processing  
☒ Reprocessing

#### Report summary and status for pending enforcement actions, permit conditions, Division Orders, and amendments:

There are no pending compliance actions. The only permit condition currently in place is that the permittee must submit all water monitoring data in an electronic format to the Division's web site. The permittee is complying with this stipulation.

Inspector's Signature: \_\_\_\_\_

Date: Tuesday, August 22, 2006

Karl Houskeeper, Environmental Scientist III

Inspector ID Number: 49

**Note:** This inspection report does not constitute an affidavit of compliance with the regulatory program of the Division of Oil, Gas and Mining.

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Permit Number: C0070035  
 Inspection Type: COMPLETE  
 Inspection Date: Tuesday, August 22, 2006

## Inspection Continuation Sheet

Page 2 of 4

### **REVIEW OF PERMIT, PERFORMANCE STANDARDS PERMIT CONDITION REQUIREMENTS**

1. Substantiate the elements on this inspection by checking the appropriate performance standard.
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	Evaluated	Not Applicable	Comment	Enforcement
1. Permits, Change, Transfer, Renewal, Sale	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>
2. Signs and Markers	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>
3. Topsoil	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
4.a Hydrologic Balance: Diversions	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
4.b Hydrologic Balance: Sediment Ponds and Impoundments	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>
4.c Hydrologic Balance: Other Sediment Control Measures	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
4.d Hydrologic Balance: Water Monitoring	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>
4.e Hydrologic Balance: Effluent Limitations	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>
5. Explosives	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
6. Disposal of Excess Spoil, Fills, Benches	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>
7. Coal Mine Waste, Refuse Piles, Impoundments	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>
8. Noncoal Waste	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
9. Protection of Fish, Wildlife and Related Environmental Issues	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
10. Slides and Other Damage	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
11. Contemporaneous Reclamation	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
12. Backfilling And Grading	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
13. Revegetation	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
14. Subsidence Control	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
15. Cessation of Operations	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
16.a Roads: Construction, Maintenance, Surfacing	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
16.b Roads: Drainage Controls	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
17. Other Transportation Facilities	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
18. Support Facilities, Utility Installations	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
19. AVS Check	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
20. Air Quality Permit	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>
21. Bonding and Insurance	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>
22. Other	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>

## **1. Permits, Change, Transfer, Renewal, Sale**

There are no pending compliance actions. The only permit condition currently in place is that the permittee must submit all water monitoring data in an electronic format to the Division's web site. The permittee is complying with this stipulation.

The following permits were reviewed:

- Mining permit C/007/035 issued February 4, 2003 and expires February 4, 2008.
- UPDES permit #UT0024759 effective August 1, 2002 and expires midnight July 31, 2007.
- Air Quality Permit DAQO-702038-02 issued November 1, 2002, remains in effect.
- SPCC plan is only applicable to plant site which is not within the permit area.
- Certificate of Insurance effective 08/01/2006 and terminates 08/01/2007.
- Reclamation agreement is dated December 1996 and signed by both parties.

## **2. Signs and Markers**

The mine ID sign is located adjacent to the tibble on a light pole. The MSHA Refuse and Impoundment signs were also checked during the inspection and contained the required information.

### **4.b Hydrologic Balance: Sediment Ponds and Impoundments**

Second quarter 2006 sediment pond inspections were conducted on June 15, 2006 and compiled into a report dated July 25, 2006. The reports for each pond are P.E. certified, signed, and dated.

### **4.d Hydrologic Balance: Water Monitoring**

Second quarter 2006 water monitoring is in the EDI website and has been uploaded. Water monitoring is current.

### **4.e Hydrologic Balance: Effluent Limitations**

The Discharge Monitoring Reports (DMR) for April, May, and June 2006 were reviewed as part of the complete inspection. No discharge occurred from any of the outfalls.

## **6. Disposal of Excess Spoil, Fills, Benches**

Second quarter 2006 Excess Spoil Piles #1 & #2 inspections were conducted on June 15, 2006 and compiled into a report dated July 25, 2006. The reports for each pile are P.E. certified, signed, and dated.

## **7. Coal Mine Waste, Refuse Piles, Impoundments**

Second quarter 2006 Refuse Pile inspections were conducted on June 15, 2006 and compiled into a report dated July 25, 2006. The report for the pile is P.E. certified, signed, and dated.

**20. Air Quality Permit**

DAQO-702038-02 issued November 1, 2002, remains in effect. Air Quality Permit DAQE-691-99 issued August 13, 1999 was replaced by DAQO-702038-02. The permit was modified to allow the usage of a diesel generator on the power plant site. The Air Quality Permit covers both the power plant and mine site. The power plant site is not regulated by DOGM.

**21. Bonding and Insurance**

A Pledge and Escrow agreement dated January 4, 2002 is in place. The escrow agency is Wells Fargo for SCA. SCA has invested \$1,747,000 in federally guaranteed Treasury Notes. The required bond amount is \$1,720,000.



## State of Utah

### Department of Natural Resources

MICHAEL R. STYLER  
*Executive Director*

### Division of Oil, Gas & Mining

JOHN R. BAZA  
*Division Director*

JON M. HUNTSMAN, JR.  
*Governor*

GARY R. HERBERT  
*Lieutenant Governor*

#### Representatives Present During the Inspection:

Company	Dennis Ware	Controller
OGM	Joe Helfrich	Environmental Scientist III

## Inspection Report

Permit Number:	<b>C0070038</b>
Inspection Type:	<b>PARTIAL</b>
Inspection Date:	Wednesday, August 30, 2006
Start Date/Time:	8/30/2006 9:30:00 AM
End Date/Time:	8/30/2006 1:00:00 PM
Last Inspection:	Thursday, July 27, 2006

Inspector: Joe Helfrich, Environmental Scientist III

Weather: Sunny, clear 80

InspectionID Report Number: 1062

Accepted by: whedberg  
9/11/2006

Permittee: **PLATEAU MINING CORP**

Operator: **PLATEAU MINING CORP**

Site: **WILLOW CREEK MINE**

Address: **PO BOX 30, HELPER UT 84526-0030**

County: **CARBON**

Permit Type: **PERMANENT COAL PROGRAM**

Permit Status: **ACTIVE**

#### Current Acreages

14,670.00	<b>Total Permitted</b>
176.35	<b>Total Disturbed</b>
	<b>Phase I</b>
	<b>Phase II</b>
	<b>Phase III</b>

#### Mineral Ownership

- ☒ Federal
- ☐ State
- ☐ County
- ☒ Fee
- ☒ Other

#### Types of Operations

- ☒ Underground
- ☐ Surface
- ☒ Loadout
- ☐ Processing
- ☐ Reprocessing

#### Report summary and status for pending enforcement actions, permit conditions, Division Orders, and amendments:

The purpose of this site visit was to conduct a partial inspection of the Willow Creek reclaimed site. There are no amendments pending. Portions of the operation visited included the mine yard, sediment pond, and Crandall Canyon reclaimed area. No off site impacts were noted.

Inspector's Signature: \_\_\_\_\_

Date: Monday, September 11, 2006

Joe Helfrich, Environmental Scientist III

Inspector ID Number: 1

**Note:** This inspection report does not constitute an affidavit of compliance with the regulatory program of the Division of Oil, Gas and Mining.

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Permit Number: C0070038  
 Inspection Type: PARTIAL  
 Inspection Date: Wednesday, August 30, 2006

## Inspection Continuation Sheet

Page 2 of 3

### **REVIEW OF PERMIT, PERFORMANCE STANDARDS PERMIT CONDITION REQUIREMENTS**

1. Substantiate the elements on this inspection by checking the appropriate performance standard.
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2. Document any noncompliance situation by reference the NOV issued at the appropriate performance standard listed below.
3. Reference any narratives written in conjunction with this inspection at the appropriate performance standard listed below.
4. Provide a brief status report for all pending enforcement actions, permit conditions, Divison Orders, and amendments.

	Evaluated	Not Applicable	Comment	Enforcement
1. Permits, Change, Transfer, Renewal, Sale	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>
2. Signs and Markers	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>
3. Topsoil	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
4.a Hydrologic Balance: Diversions	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
4.b Hydrologic Balance: Sediment Ponds and Impoundments	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
4.c Hydrologic Balance: Other Sediment Control Measures	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
4.d Hydrologic Balance: Water Monitoring	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>
4.e Hydrologic Balance: Effluent Limitations	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
5. Explosives	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
6. Disposal of Excess Spoil, Fills, Benches	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
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8. Noncoal Waste	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
9. Protection of Fish, Wildlife and Related Environmental Issues	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
10. Slides and Other Damage	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
11. Contemporaneous Reclamation	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
12. Backfilling And Grading	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
13. Revegetation	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>
14. Subsidence Control	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
15. Cessation of Operations	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
16.a Roads: Construction, Maintenance, Surfacing	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
16.b Roads: Drainage Controls	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
17. Other Transportation Facilities	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
18. Support Facilities, Utility Installations	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
19. AVS Check	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
20. Air Quality Permit	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
21. Bonding and Insurance	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
22. Other	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>

**1. Permits, Change, Transfer, Renewal, Sale**

The five year permit renewal was completed on 4/24/2006 and expires 4/24/2011.

**2. Signs and Markers**

Signs with the required information were posted at the entrances to the reclaimed areas.

**4.d Hydrologic Balance: Water Monitoring**

Mr. Ware had several questions regarding the Division's letter requesting coordinates for water monitoring locations. He had forwarded them to Dana Dean in a voicemail. In response, Dana contacted Mr. Ware on 9/8 with a voicemail addressing his questions. We visited the sed pond to check UTM coordinates listed in the plan with Mr. Ware's hand held GPS unit.

**13. Revegetation**

The Crandall Canyon shaft site was inspected. There was no detectable subsidence since the previous inspection. Vegetation was noticeably more diverse and vigorous than that in the surrounding reclaimed area. This could have been attributed in part to the timing and conditions at the time of seeding.



## State of Utah

### Department of Natural Resources

MICHAEL R. STYLER  
*Executive Director*

### Division of Oil, Gas & Mining

JOHN R. BAZA  
*Division Director*

JON M. HUNTSMAN, JR.  
*Governor*

GARY R. HERBERT  
*Lieutenant Governor*

#### Representatives Present During the Inspection:

Company	Vicky S. Miller	Environmental Specialist
OGM	Pete Hess	Environmental Scientist III
OGM	Steve Christensen	Environmental Scientist II

## Inspection Report

Permit Number:	<b>C0070039</b>
Inspection Type:	<b>PARTIAL</b>
Inspection Date:	Tuesday, August 01, 2006
Start Date/Time:	8/1/2006 9:00:00 AM
End Date/Time:	8/1/2006 11:00:00 AM
Last Inspection:	Tuesday, July 25, 2006

Inspector: Pete Hess, Environmental Scientist III

Weather: Cool, cloudy; rain during early morning hours.

InspectionID Report Number: 1031

Accepted by: whedberg  
8/7/2006

Permittee: **CANYON FUEL COMPANY LLC**

Operator: **CANYON FUEL COMPANY LLC**

Site: **DUGOUT CANYON MINE**

Address: **PO BOX 1029, WELLINGTON UT 84542**

County: **CARBON**

Permit Type: **PERMANENT COAL PROGRAM**

Permit Status: **ACTIVE**

#### Current Acreages

9,471.00	<b>Total Permitted</b>
57.75	<b>Total Disturbed</b>
	<b>Phase I</b>
	<b>Phase II</b>
	<b>Phase III</b>

#### Mineral Ownership

- ☒ Federal
- ☒ State
- ☐ County
- ☒ Fee
- ☐ Other

#### Types of Operations

- ☒ Underground
- ☐ Surface
- ☐ Loadout
- ☐ Processing
- ☐ Reprocessing

#### Report summary and status for pending enforcement actions, permit conditions, Division Orders, and amendments:

The Permittee is current relative to the quarterly submittal of surface and ground water monitoring information for the Dugout Canyon Mine permit area.

The Mine received approximately 1/2 inch of rainfall during the morning hours immediately proceeding today's inspection. Isolated thunder showers have occurred over the past several days, and are predicted over the next several days as well.

The Permittee submitted revised information relative to "Mine Site As-Built Drainage Controls" for the Mine facilities area on May 31, 2006. Today's inspection of this area was to field-confirm the site's diversions and treatment areas. Mr. Steve Christensen, reclamation hydrologist for the Mine, accompanied the inspection team for this purpose.

Inspector's Signature: \_\_\_\_\_

Date: Friday, August 04, 2006

Pete Hess, Environmental Scientist III

Inspector ID Number: 46

**Note:** This inspection report does not constitute an affidavit of compliance with the regulatory program of the Division of Oil, Gas and Mining.

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Permit Number: C0070039  
 Inspection Type: PARTIAL  
 Inspection Date: Tuesday, August 01, 2006

## Inspection Continuation Sheet

Page 2 of 3

### **REVIEW OF PERMIT, PERFORMANCE STANDARDS PERMIT CONDITION REQUIREMENTS**

1. Substantiate the elements on this inspection by checking the appropriate performance standard.
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4. Provide a brief status report for all pending enforcement actions, permit conditions, Divison Orders, and amendments.

	Evaluated	Not Applicable	Comment	Enforcement
1. Permits, Change, Transfer, Renewal, Sale	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
2. Signs and Markers	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
3. Topsoil	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
4.a Hydrologic Balance: Diversions	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>
4.b Hydrologic Balance: Sediment Ponds and Impoundments	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
4.c Hydrologic Balance: Other Sediment Control Measures	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>
4.d Hydrologic Balance: Water Monitoring	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
4.e Hydrologic Balance: Effluent Limitations	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
5. Explosives	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
6. Disposal of Excess Spoil, Fills, Benches	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
7. Coal Mine Waste, Refuse Piles, Impoundments	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
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9. Protection of Fish, Wildlife and Related Environmental Issues	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
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12. Backfilling And Grading	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
13. Revegetation	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
14. Subsidence Control	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>
15. Cessation of Operations	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
16.a Roads: Construction, Maintenance, Surfacing	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
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17. Other Transportation Facilities	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
18. Support Facilities, Utility Installations	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
19. AVS Check	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
20. Air Quality Permit	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
21. Bonding and Insurance	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
22. Other	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>

#### **4.a Hydrologic Balance: Diversions**

As noted above, the Mine site received approximately 1/2 inch of rain during the morning hours just prior to today's partial inspection. The following diversions were noted as needing maintenance during today's inspection; ditch DD-1b needs to be redefined just east of the fuel storage containment. This ditch is a concrete lined "V" ditch, with the exception of approximately forty feet of length, where there is little or no gradient. It is the length of zero gradient which needs to be redefined. 2) The inlet to culvert DC-4 (100 feet ENE of Administration/Bathhouse building) was partially blocked with flushed debris. The Permittee should also probably flush the remaining sixty foot length of this culvert as well. It should be noted that the Permittee had already initiated diversion maintenance about the site prior to the initiation of today's inspection.

#### **4.c Hydrologic Balance: Other Sediment Control Measures**

The sediment trap located at the lower end of the storage yard needed cleaning. Overflow from this control measures reports directly to the sediment pond. Access to this trap was blocked with lengths of monorail (long wall cable handling device). The Permittee was moving the obstruction in order to clean the trap at the close of today's inspection.

#### **14. Subsidence Control**

The Permittee has revised the subsidence control / subsidence monitoring section of the mining and reclamation plan via the October 2005 midterm permit review. The Division is in the process of finalizing approval of the newly submitted information.



## State of Utah

### Department of Natural Resources

MICHAEL R. STYLER  
*Executive Director*

### Division of Oil, Gas & Mining

JOHN R. BAZA  
*Division Director*

JON M. HUNTSMAN, JR.  
*Governor*

GARY R. HERBERT  
*Lieutenant Governor*

#### Representatives Present During the Inspection:

BLM	Gary E. Gray	Resident Agent
OGM	Pete Hess	Environmental Scientist III

## Inspection Report

Permit Number:	<b>C0070041</b>
Inspection Type:	<b>PARTIAL</b>
Inspection Date:	Wednesday, August 23, 2006
Start Date/Time:	8/23/2006 10:00:00 AM
End Date/Time:	8/23/2006 11:45:00 AM
Last Inspection:	Thursday, July 27, 2006

Inspector: Pete Hess, Environmental Scientist III

Weather: Sunny, clear, summer time temperatures.

InspectionID Report Number: 1048

Accepted by: whedberg  
9/13/2006

Permittee: **WEST RIDGE RESOURCES**

Operator: **WEST RIDGE RESOURCES**

Site: **WEST RIDGE MINE**

Address: **PO BOX 1077, PRICE UT 84501**

County: **CARBON**

Permit Type: **PERMANENT COAL PROGRAM**

Permit Status: **ACTIVE**

#### Current Acreages

6,114.89	<b>Total Permitted</b>
29.06	<b>Total Disturbed</b>
	<b>Phase I</b>
	<b>Phase II</b>
	<b>Phase III</b>

#### Mineral Ownership

- ☒ Federal
- ☒ State
- ☐ County
- ☐ Fee
- ☐ Other

#### Types of Operations

- ☒ Underground
- ☐ Surface
- ☐ Loadout
- ☐ Processing
- ☐ Reprocessing

#### Report summary and status for pending enforcement actions, permit conditions, Division Orders, and amendments:

The Permittee continues to submit quarterly surface and ground water monitoring information in an electronic form to the DOGM EDI web site. All submittals are current.

West Ridge Resources, Inc., saw a change in ownership and control with the purchase of Andalex Resources, Inc., by Murray Energy Corporation (Utah American Energy) on August 9, 2006. Andalex Resources, Inc., has become a subsidiary of Utah American Energy and will continue to be the Permittee for the West Ridge Mine, the Gen-Wal Mine, Centennial Mines, and the Wildcat Loadout.

Inspector's Signature: \_\_\_\_\_

Date Wednesday, August 23, 2006

Pete Hess, Environmental Scientist III

Inspector ID Number: 46

**Note:** This inspection report does not constitute an affidavit of compliance with the regulatory program of the Division of Oil, Gas and Mining.

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Permit Number: C0070041

Inspection Type: PARTIAL

Inspection Date: Wednesday, August 23, 2006

## Inspection Continuation Sheet

Page 2 of 3

### **REVIEW OF PERMIT, PERFORMANCE STANDARDS PERMIT CONDITION REQUIREMENTS**

1. Substantiate the elements on this inspection by checking the appropriate performance standard.
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4.e Hydrologic Balance: Effluent Limitations	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
5. Explosives	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
6. Disposal of Excess Spoil, Fills, Benches	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
7. Coal Mine Waste, Refuse Piles, Impoundments	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
8. Noncoal Waste	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
9. Protection of Fish, Wildlife and Related Environmental Issues	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
10. Slides and Other Damage	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
11. Contemporaneous Reclamation	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
12. Backfilling And Grading	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
13. Revegetation	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
14. Subsidence Control	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
15. Cessation of Operations	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
16.a Roads: Construction, Maintenance, Surfacing	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
16.b Roads: Drainage Controls	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
17. Other Transportation Facilities	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
18. Support Facilities, Utility Installations	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
19. AVS Check	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
20. Air Quality Permit	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
21. Bonding and Insurance	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
22. Other	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>

## **2. Signs and Markers**

New permittee identification signs are being readied for installation at each of the sites now under the control of Utah American, Inc. As noted above, Andalex Resources, Inc., will continue to be the Permittee, and operate as a subsidiary of Utah American, Inc. / Murray Energy Corporation.

### **4.a Hydrologic Balance: Diversions**

The trash grate over the inlet of the culveret identified as DC-8A (See Map 7-2, Mine Site Drainage Map) was receiving flow from ditch DD-8A, although the grate was partially blocked with rubble. The inlets to the three six-inch PVC pipes identified as DC-8AR were also partially obstructed with sediment. Both items were corrected during the course of today's inspection by a West Ridge surface employee. The inlet to culvert UC-RR (located at the SE corner of the Mine Office pad) was overgrown with brush, which caused several noncoal waste items to have the potential for washing into and blocking the pipe. The trash was removed during the inspection, but the overgrowth should be cut away and removed to prevent future problems.

## **22. Other**

Mr. Gary Gray has assumed the responsibilities of Manager of Operations for the Wildcat Loadout facility.





## State of Utah

### Department of Natural Resources

MICHAEL R. STYLER  
*Executive Director*

### Division of Oil, Gas & Mining

JOHN R. BAZA  
*Division Director*

JON M. HUNTSMAN, JR.  
*Governor*

GARY R. HERBERT  
*Lieutenant Governor*

#### Representatives Present During the Inspection:

Company	Rusty Netz	Environmental Coordinator
OGM	Karl Houskeeper	Environmental Scientist III

## Inspection Report

Permit Number:	<b>C0070042</b>
Inspection Type:	<b>COMPLETE</b>
Inspection Date:	Tuesday, August 22, 2006
Start Date/Time:	8/22/2006 8:00:00 AM
End Date/Time:	8/22/2006 12:00:00 PM
Last Inspection:	Friday, July 14, 2006

Inspector: Karl Houskeeper, Environmental Scientist III

Weather: Partly Cloudy, Temp. 86 Deg. F.

InspectionID Report Number: 1046

Accepted by: pgrubaug  
8/29/2006

Permittee: **SUNNYSIDE COGENERATION ASSOCIATES**

Operator: **SUNNYSIDE COGENERATION ASSOCIATES**

Site: **STAR POINT REFUSE**

Address: **PO BOX 159, SUNNYSIDE UT 84539**

County: **CARBON**

Permit Type: **PERMANENT COAL PROGRAM**

Permit Status: **ACTIVE**

#### Current Acreages

152.81	<b>Total Permitted</b>
88.78	<b>Total Disturbed</b>
	<b>Phase I</b>
	<b>Phase II</b>
	<b>Phase III</b>

#### Mineral Ownership

- ☐ Federal  
☐ State  
☐ County  
☒ Fee  
☐ Other

#### Types of Operations

- ☐ Underground  
☐ Surface  
☐ Loadout  
☐ Processing  
☒ Reprocessing

Report summary and status for pending enforcement actions, permit conditions, Division Orders, and amendments:

Pending actions: No pending actions.

Inspector's Signature: \_\_\_\_\_

Date: Tuesday, August 22, 2006

Karl Houskeeper, Environmental Scientist III

Inspector ID Number: 49

**Note:** This inspection report does not constitute an affidavit of compliance with the regulatory program of the Division of Oil, Gas and Mining.

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Permit Number: C0070042  
 Inspection Type: COMPLETE  
 Inspection Date: Tuesday, August 22, 2006

## Inspection Continuation Sheet

Page 2 of 3

### **REVIEW OF PERMIT, PERFORMANCE STANDARDS PERMIT CONDITION REQUIREMENTS**

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	Evaluated	Not Applicable	Comment	Enforcement
1. Permits, Change, Transfer, Renewal, Sale	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>
2. Signs and Markers	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>
3. Topsoil	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
4.a Hydrologic Balance: Diversions	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
4.b Hydrologic Balance: Sediment Ponds and Impoundments	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>
4.c Hydrologic Balance: Other Sediment Control Measures	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
4.d Hydrologic Balance: Water Monitoring	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
4.e Hydrologic Balance: Effluent Limitations	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>
5. Explosives	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
6. Disposal of Excess Spoil, Fills, Benches	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
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10. Slides and Other Damage	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
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14. Subsidence Control	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
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18. Support Facilities, Utility Installations	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
19. AVS Check	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
20. Air Quality Permit	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>
21. Bonding and Insurance	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>
22. Other	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>

**1. Permits, Change, Transfer, Renewal, Sale**

Pending actions: No pending actions.

The following permits were reviewed:

- Mining permit C/007/042 issued November 14, 2003 and expires November 14, 2008.
- UPDES permit #UTG040025 effective May 1, 2003 and expires midnight April 30, 2008 (under general permit UTG040000).
- Air Quality Permit DAQE-239-02 issued April 1, 2002, remains in effect.
- SPCC plan is not required.
- Certificate of Insurance effective 08/01/2006 and terminates 08/01/2007.
- Reclamation agreement is dated October 14, 2003 and signed by both parties.
- Storm Water Permit UTR000604, effective 08/29/02 and expires @ midnight 12/31/06 (under general permit UTR000000).

**2. Signs and Markers**

The mine ID signs are located at the contact points of the public road to the permit area and contains all of the appropriate information. All other signs and markers observed during the inspection were in compliance with the approved MRP.

**4.b Hydrologic Balance: Sediment Ponds and Impoundments**

Second quarter 2006 sediment pond inspections were conducted on June 15, 2006 and compiled into a report dated July 25, 2006. The reports for each pond are P.E. certified, signed, and dated.

**4.e Hydrologic Balance: Effluent Limitations**

The Discharge Monitoring Reports (DMR) for April, May, and June 2006 were reviewed as part of the complete inspection. No discharge occurred from any of the outfalls.

**7. Coal Mine Waste, Refuse Piles, Impoundments**

The refuse pile is being mined from the top down in incremented lifts. The pile is being mined with a slope to assure proper drainage to the designed culvert which conveys water off the top of the refuse pile. Segments from the culvert re-construction are still located on top of the pile and need to be disposed of.

**20. Air Quality Permit**

The air quality permit DAQE-239-02 was issued on April 1, 2002 and remains in effect.

**21. Bonding and Insurance**

The bond is a collateral bond in the amount of \$1,254,000.



## State of Utah

### Department of Natural Resources

MICHAEL R. STYLER  
*Executive Director*

### Division of Oil, Gas & Mining

JOHN R. BAZA  
*Division Director*

JON M. HUNTSMAN, JR.  
*Governor*

GARY R. HERBERT  
*Lieutenant Governor*

#### Representatives Present During the Inspection:

Company Russell Hardy

OGM Steve Demczak Environmental Scientist III

## Inspection Report

Permit Number:	<b>C0150007</b>
Inspection Type:	<b>COMPLETE</b>
Inspection Date:	Thursday, August 10, 2006
Start Date/Time:	8/10/2006 1:00:00 PM
End Date/Time:	8/10/2006 3:00:00 PM
Last Inspection:	Thursday, July 13, 2006

Inspector: Steve Demczak, Environmental Scientist III

Weather: Sunny, 80's

InspectionID Report Number: 1044

Accepted by: pgrubaug  
8/29/2006

Permittee: **CONSOLIDATION COAL CO**

Operator: **CONSOLIDATION COAL CO MID-CONTINENT REGION**

Site: **HIDDEN VALLEY MINE**

Address: **PO BOX 566, SESSER IL 62884**

County: **EMERY**

Permit Type: **PERMANENT COAL PROGRAM**

Permit Status: **RECLAIMED**

#### Current Acreages

960.00	<b>Total Permitted</b>
6.70	<b>Total Disturbed</b>
6.70	<b>Phase I</b>
	<b>Phase II</b>
	<b>Phase III</b>

#### Mineral Ownership

- ☐ Federal  
☐ State  
☐ County  
☒ Fee  
☐ Other

#### Types of Operations

- ☒ Underground  
☐ Surface  
☐ Loadout  
☐ Processing  
☐ Reprocessing

#### Report summary and status for pending enforcement actions, permit conditions, Division Orders, and amendments:

Permit last renewed 1/29/2002. The permit area is 960 acres within T. 23 S. R. 6 E. W1/2 Sec 17 and all of Sec. 18. The Permittee's address is listed on the Reclamation Agreement [12755 Olive Blvd. St Louis Mo] has changed. The corporate headquarter's address should read [1800 Washington Rd., Pittsburgh PA]. The Engineering Office for the western operations is in Sesser, IL. Consolidation Coal Co. Board of Directors has authorized an exploratory engineering study at the Hidden Valley reclaimed site. Both portals will be reopened.

The exploration will create a stockpile of topsoil, fill, and coal. Plans for site construction and configuration are simultaneously being discussed.

Inspector's Signature: \_\_\_\_\_

Date: Monday, August 21, 2006

Steve Demczak, Environmental Scientist III

Inspector ID Number: 39

**Note:** This inspection report does not constitute an affidavit of compliance with the regulatory program of the Division of Oil, Gas and Mining.

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Permit Number: C0150007  
 Inspection Type: COMPLETE  
 Inspection Date: Thursday, August 10, 2006

## Inspection Continuation Sheet

Page 2 of 3

### **REVIEW OF PERMIT, PERFORMANCE STANDARDS PERMIT CONDITION REQUIREMENTS**

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	Evaluated	Not Applicable	Comment	Enforcement
1. Permits, Change, Transfer, Renewal, Sale	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>
2. Signs and Markers	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
3. Topsoil	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
4.a Hydrologic Balance: Diversions	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>
4.b Hydrologic Balance: Sediment Ponds and Impoundments	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
4.c Hydrologic Balance: Other Sediment Control Measures	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>
4.d Hydrologic Balance: Water Monitoring	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>
4.e Hydrologic Balance: Effluent Limitations	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
5. Explosives	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
6. Disposal of Excess Spoil, Fills, Benches	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
7. Coal Mine Waste, Refuse Piles, Impoundments	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
8. Noncoal Waste	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>
9. Protection of Fish, Wildlife and Related Environmental Issues	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
10. Slides and Other Damage	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
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13. Revegetation	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
14. Subsidence Control	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
15. Cessation of Operations	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
16.a Roads: Construction, Maintenance, Surfacing	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
16.b Roads: Drainage Controls	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
17. Other Transportation Facilities	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
18. Support Facilities, Utility Installations	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
19. AVS Check	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
20. Air Quality Permit	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
21. Bonding and Insurance	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>
22. Other	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>

**1. Permits, Change, Transfer, Renewal, Sale**

The permittee had submitted a Minor Exploration plan to the Division. The permittee has received approval for core drilling. The permittee will be re-submitting a Major exploration permit to the Division.

**4.a Hydrologic Balance: Diversions**

The diversions were spot-checked and were functioning as designed.

**4.c Hydrologic Balance: Other Sediment Control Measures**

Silt fences were functioning as designed.

**4.d Hydrologic Balance: Water Monitoring**

The permittee has submitted the first quarter water data to the Division. They are in the process of submitting second quarter information.

**8. Noncoal Waste**

The site was clear of non-coal waste material.

**21. Bonding and Insurance**

The public insurance policy is furnished by Steadfast Inc. Co. This policy will expire on October 5, 2006. The Certificate of Insurance form meets the requirements of the R645 Coal Rules. The bonding amount is \$90,758.



## State of Utah

### Department of Natural Resources

MICHAEL R. STYLER  
*Executive Director*

### Division of Oil, Gas & Mining

JOHN R. BAZA  
*Division Director*

JON M. HUNTSMAN, JR.  
*Governor*

GARY R. HERBERT  
*Lieutenant Governor*

#### Representatives Present During the Inspection:

Company	Guy Davis	Environmental Scientist
OGM	Pete Hess	Environmental Scientist III

## Inspection Report

Permit Number:	<b>C0150009</b>
Inspection Type:	<b>COMPLETE</b>
Inspection Date:	Monday, August 14, 2006
Start Date/Time:	8/14/2006 10:00:00 AM
End Date/Time:	8/14/2006 12:35:00 PM
Last Inspection:	Thursday, May 04, 2006

Inspector: Pete Hess, Environmental Scientist III

Weather: Sunny, hot, sprinkling during inspection.

InspectionID Report Number: 1038

Accepted by: whedberg  
9/13/2006

Permittee: **PACIFICORP**

Operator: **ENERGY WEST MINING CO**

Site: **TRAIL MOUNTAIN MINE**

Address: **PO BOX 310, HUNTINGTON UT 84528**

County: **EMERY**

Permit Type: **PERMANENT COAL PROGRAM**

Permit Status: **ACTIVE**

#### Current Acreages

3,539.00	<b>Total Permitted</b>
10.69	<b>Total Disturbed</b>
	<b>Phase I</b>
	<b>Phase II</b>
	<b>Phase III</b>

#### Mineral Ownership

- ☒ Federal
- ☒ State
- ☐ County
- ☒ Fee
- ☐ Other

#### Types of Operations

- ☒ Underground
- ☐ Surface
- ☐ Loadout
- ☐ Processing
- ☐ Reprocessing

#### Report summary and status for pending enforcement actions, permit conditions, Division Orders, and amendments:

The Permittee is current relative to the submittal of quarterly surface and ground water monitoring information to the DOGM EDI.

There are no compliance issues currently pending for the Trail Mountain Mine permit area.

This site remains in temporary cessation status.

Inspector's Signature: \_\_\_\_\_

Date: Monday, August 14, 2006

Pete Hess, Environmental Scientist III

Inspector ID Number: 46

**Note:** This inspection report does not constitute an affidavit of compliance with the regulatory program of the Division of Oil, Gas and Mining.

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Permit Number: C0150009  
 Inspection Type: COMPLETE  
 Inspection Date: Monday, August 14, 2006

## Inspection Continuation Sheet

Page 2 of 4

### **REVIEW OF PERMIT, PERFORMANCE STANDARDS PERMIT CONDITION REQUIREMENTS**

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19. AVS Check	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>
20. Air Quality Permit	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
21. Bonding and Insurance	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>
22. Other	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>



#### **4.a Hydrologic Balance: Diversions**

The inlet of the 16-inch culvert located east of the bath house facilities was observed to be completely obstructed. All other diversions appeared to be capable of functioning as designed. Mr. Davis made note of the needed maintenance.

#### **4.b Hydrologic Balance: Sediment Ponds and Impoundments**

The Permittee's qualified representatives, Messrs. John Christensen, P.E., and Rick Cullum, RLS, conducted the second quarter of 2006 impoundment inspection for the Mine site pond on June 22, 2006. There were no signs of instability or structural weakness reported by the Permittee's inspection team. The Permittee determined that 0.31 Acre-feet of sediment storage capacity was remaining in that pond on 6/22. As observed this day, the pond contains a fair volume of water, which is no where close to the discharge elevation of the primary spillway. This pond was last cleaned during the fourth quarter of 2005. Mr. John Christensen, P.E., certified the 6/22 inspection report on 6/30, 2006.

#### **4.d Hydrologic Balance: Water Monitoring**

A review of the discharge monitoring reports for July, June, and May 2006 revealed the neither 001A or 002A UPDES outfalls had flows during that three month period.

#### **10. Slides and Other Damage**

More damage has occurred to the shot creted cliff face located behind the Mine fan. One large piece has dislodged and appears to have damaged a corner of the small shed on the back side of the fan house. Other cracks are appearing in the cliff face. Many of the mechanical anchor bolts have pulled free from the unconsolidated coal burn material.

#### **16.b Roads: Drainage Controls**

A significant volume of County road drainage continues to report onto the Mine site disturbed area, thence to the Mine site pond where it is collected. Although the Mine pond has not discharged for quite some time, this flow volume continues to wash sediment onto the Mine's disturbed area, blocking some culverts which parallel the security fence. Thus, this water is creating maintenance and possible compliance issues for the Permittee. It was suggested that the Permittee look at the possibility of re-routing this road flow directly to Cottonwood Creek above the Mine site, or possibly have the road graded to force this flow volume to the ditch on the opposite side of the road.

#### **18. Support Facilities, Utility Installations**

All of the chain linked / sealed portals were inspected for possible unauthorized tampering. None was observed.

**19. AVS Check**

The Permittee submitted new ownership and control information to reflect Mid American Energy Holdings Company personnel to the DOGM on June 20, 2006. The review of that information is pending.

**21. Bonding and Insurance**

The Permittee's current general liability insurance coverage is due to expire on August 28, 2006. All coverage amounts meet the minimum requirements of the R645 Coal Mining Rules. Coverage for damage incurred from the use of explosives is provided.

**22. Other**

Due to frequent precipitation events occurring throughout Utah, some erosion gullies are forming throughout the Trail Mountain disturbed area. The Division and the Permittee will continue to monitor these in order that they do not become too large.



## State of Utah

### Department of Natural Resources

MICHAEL R. STYLER  
*Executive Director*

### Division of Oil, Gas & Mining

JOHN R. BAZA  
*Division Director*

JON M. HUNTSMAN, JR.  
*Governor*

GARY R. HERBERT  
*Lieutenant Governor*

#### Representatives Present During the Inspection:

Company	Russell Hardy
OGM	Steve Demczak Environmental Scientist III

## Inspection Report

Permit Number:	<b>C0150015</b>
Inspection Type:	<b>COMPLETE</b>
Inspection Date:	Thursday, August 10, 2006
Start Date/Time:	8/10/2006 10:00:00 AM
End Date/Time:	8/10/2006 1:00:00 PM
Last Inspection:	Tuesday, July 25, 2006

Inspector: Steve Demczak, Environmental Scientist III

Weather: Sunny, 80's

InspectionID Report Number: 1043

Accepted by: pgrubaug  
8/29/2006

Permittee: **CONSOLIDATION COAL CO**

Operator: **CONSOLIDATION COAL CO SESSER OPERATIONS**

Site: **EMERY DEEP MINE**

Address: **PO BOX 566, SESSER IL 62884**

County: **EMERY**

Permit Type: **PERMANENT COAL PROGRAM**

Permit Status: **ACTIVE**

#### Current Acreages

5,408.00	<b>Total Permitted</b>
289.60	<b>Total Disturbed</b>
	<b>Phase I</b>
	<b>Phase II</b>
	<b>Phase III</b>

#### Mineral Ownership

- ☒ Federal  
☐ State  
☐ County  
☒ Fee  
☐ Other

#### Types of Operations

- ☒ Underground  
☐ Surface  
☐ Loadout  
☐ Processing  
☐ Reprocessing

#### Report summary and status for pending enforcement actions, permit conditions, Division Orders, and amendments:

Permit Conditions: Emery Deep has one permit condition. The permittee must submit water quality data in an electronic format through the Electronic Data Input web site.

No violations pending.

Inspector's Signature: \_\_\_\_\_

Steve Demczak, Environmental Scientist III

Inspector ID Number: 39

Date: \_\_\_\_\_ Monday, August 21, 2006

**Note:** This inspection report does not constitute an affidavit of compliance with the regulatory program of the Division of Oil, Gas and Mining.

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telephone (801) 538-5340 • facsimile (801) 359-3940 • TTY (801) 538-7458 • [www.ogm.utah.gov](http://www.ogm.utah.gov)

Permit Number: C0150015  
 Inspection Type: COMPLETE  
 Inspection Date: Thursday, August 10, 2006

## Inspection Continuation Sheet

Page 2 of 3

### **REVIEW OF PERMIT, PERFORMANCE STANDARDS PERMIT CONDITION REQUIREMENTS**

1. Substantiate the elements on this inspection by checking the appropriate performance standard.
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  - b. For PARTIAL inspections check only the elements evaluated.
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3. Reference any narratives written in conjunction with this inspection at the appropriate performance standard listed below.
4. Provide a brief status report for all pending enforcement actions, permit conditions, Divison Orders, and amendments.

	Evaluated	Not Applicable	Comment	Enforcement
1. Permits, Change, Transfer, Renewal, Sale	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>
2. Signs and Markers	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
3. Topsoil	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>
4.a Hydrologic Balance: Diversions	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>
4.b Hydrologic Balance: Sediment Ponds and Impoundments	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>
4.c Hydrologic Balance: Other Sediment Control Measures	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>
4.d Hydrologic Balance: Water Monitoring	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>
4.e Hydrologic Balance: Effluent Limitations	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>
5. Explosives	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
6. Disposal of Excess Spoil, Fills, Benches	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
7. Coal Mine Waste, Refuse Piles, Impoundments	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>
8. Noncoal Waste	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
9. Protection of Fish, Wildlife and Related Environmental Issues	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
10. Slides and Other Damage	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
11. Contemporaneous Reclamation	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
12. Backfilling And Grading	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
13. Revegetation	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
14. Subsidence Control	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
15. Cessation of Operations	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
16.a Roads: Construction, Maintenance, Surfacing	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
16.b Roads: Drainage Controls	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
17. Other Transportation Facilities	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
18. Support Facilities, Utility Installations	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>
19. AVS Check	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
20. Air Quality Permit	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
21. Bonding and Insurance	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>
22. Other	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>

**1. Permits, Change, Transfer, Renewal, Sale**

The permittee has submitted one amendment and exploration plans for review. The permittee has requested an approval for complete subsidence for two pillar sections and to conduct minor explorations. The minor exploration review is scheduled for completion by the end of September. The pillar subsidence amendment is incomplete and more additional information will be submitted from the permittee. No review date can be given until all information is submitted.

**3. Topsoil**

Topsoil piles were inspected. I found no signs of erosion from wind or water. The 4th east topsoil piles have vegetation; the Emery Mine old topsoil piles have less vegetated growth.

**4.a Hydrologic Balance: Diversions**

The diversions were spot-checked and complied with the R645 requirements.

**4.b Hydrologic Balance: Sediment Ponds and Impoundments**

The sediment ponds were inspected by the permittee for the second quarter. No hazardous conditions were reported.

**4.c Hydrologic Balance: Other Sediment Control Measures**

Silt fences were spot-checked and were functioning as designed.

**4.d Hydrologic Balance: Water Monitoring**

The permittee has submitted first quarter water data to the Division.

**4.e Hydrologic Balance: Effluent Limitations**

The permittee is in the process of getting new UPDES permit.

**7. Coal Mine Waste, Refuse Piles, Impoundments**

The permittee inspected the refuse pile for the first and second quarter. No hazardous conditions were reported. The report was P.E. certified.

**18. Support Facilities, Utility Installations**

No new facilities were constructed since the last inspection.

**21. Bonding and Insurance**

The insurance will expire on October 5, 2006. The accord form met the minimum requirements of the R645 Coal Rules.



## State of Utah

### Department of Natural Resources

MICHAEL R. STYLER  
*Executive Director*

### Division of Oil, Gas & Mining

JOHN R. BAZA  
*Division Director*

JON M. HUNTSMAN, JR.  
*Governor*

GARY R. HERBERT  
*Lieutenant Governor*

#### Representatives Present During the Inspection:

Company	Guy Davis	Environmental Scientist
OGM	Pete Hess	Environmental Scientist III

## Inspection Report

Permit Number:	<b>C0150017</b>
Inspection Type:	<b>PARTIAL</b>
Inspection Date:	Monday, August 14, 2006
Start Date/Time:	8/14/2006 12:35:00 PM
End Date/Time:	8/14/2006 12:55:00 PM
Last Inspection:	Friday, July 14, 2006

Inspector: Pete Hess, Environmental Scientist III

Weather: Cloudy; some sprinkles. Warm.

InspectionID Report Number: 1039

Accepted by: whedberg  
9/11/2006

Permittee: **PACIFICORP**

Operator: **ENERGY WEST MINING CO**

Site: **DES BEE DOVE MINE**

Address: **PO BOX 310, HUNTINGTON UT 84528**

County: **EMERY**

Permit Type: **PERMANENT COAL PROGRAM**

Permit Status: **RECLAIMED**

#### Current Acreages

154.86	<b>Total Permitted</b>
23.88	<b>Total Disturbed</b>
	<b>Phase I</b>
	<b>Phase II</b>
	<b>Phase III</b>

#### Mineral Ownership

- ☒ Federal  
☐ State  
☐ County  
☒ Fee  
☐ Other

#### Types of Operations

- ☒ Underground  
☐ Surface  
☐ Loadout  
☐ Processing  
☐ Reprocessing

#### Report summary and status for pending enforcement actions, permit conditions, Division Orders, and amendments:

Water monitoring at the Des-Bee-Dove Mine site has been discontinued; all sediment control is being addressed by surface roughening, and re-established vegetation.

There are no compliance issues currently pending for the Des-Bee-Dove permit area.

The Permittee has submitted a Phase I bond release application for the Mine site area, which was completely reclaimed by June 2003. Reclamation of the sediment pond was completed by December 31, 2005.

Inspector's Signature: \_\_\_\_\_

Date: Tuesday, August 15, 2006

Pete Hess, Environmental Scientist III

Inspector ID Number: 46

**Note:** This inspection report does not constitute an affidavit of compliance with the regulatory program of the Division of Oil, Gas and Mining.

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Permit Number: C0150017  
 Inspection Type: PARTIAL  
 Inspection Date: Monday, August 14, 2006

## Inspection Continuation Sheet

Page 2 of 3

### **REVIEW OF PERMIT, PERFORMANCE STANDARDS PERMIT CONDITION REQUIREMENTS**

1. Substantiate the elements on this inspection by checking the appropriate performance standard.
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	Evaluated	Not Applicable	Comment	Enforcement
1. Permits, Change, Transfer, Renewal, Sale	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
2. Signs and Markers	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
3. Topsoil	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
4.a Hydrologic Balance: Diversions	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>
4.b Hydrologic Balance: Sediment Ponds and Impoundments	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
4.c Hydrologic Balance: Other Sediment Control Measures	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
4.d Hydrologic Balance: Water Monitoring	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
4.e Hydrologic Balance: Effluent Limitations	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
5. Explosives	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
6. Disposal of Excess Spoil, Fills, Benches	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
7. Coal Mine Waste, Refuse Piles, Impoundments	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
8. Noncoal Waste	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
9. Protection of Fish, Wildlife and Related Environmental Issues	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
10. Slides and Other Damage	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>
11. Contemporaneous Reclamation	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
12. Backfilling And Grading	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
13. Revegetation	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>
14. Subsidence Control	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
15. Cessation of Operations	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
16.a Roads: Construction, Maintenance, Surfacing	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
16.b Roads: Drainage Controls	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
17. Other Transportation Facilities	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
18. Support Facilities, Utility Installations	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
19. AVS Check	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>
20. Air Quality Permit	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
21. Bonding and Insurance	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>
22. Other	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>

**4.a Hydrologic Balance: Diversions**

The diversions installed as part of the Des-Bee-Dove sediment pond reclamation appear to remain in a stable state.

**10. Slides and Other Damage**

There were no slides of backfilled material observed within the reclaimed sediment pond area.

**13. Revegetation**

Some new growth is appearing on the reclaimed sediment pond areas.

**19. AVS Check**

The Permittee submitted new ownership and control information reflecting corporate personnel employed by the new owners, Mid American Energy Holdings Company, on June 16, 2006. The Division review of that submittal is pending.

**21. Bonding and Insurance**

The Permittee's current general liability insurance is due to expire on August 28, 2006; it was Mr. Davis' intent to contact Mr. Scott Child, Manager of Lands and Regulatory Affairs for the Permittee relative to the assurance of continuous coverage for the Energy West properties.





## State of Utah

### Department of Natural Resources

MICHAEL R. STYLER  
*Executive Director*

### Division of Oil, Gas & Mining

JOHN R. BAZA  
*Division Director*

JON M. HUNTSMAN, JR.  
*Governor*

GARY R. HERBERT  
*Lieutenant Governor*

#### Representatives Present During the Inspection:

OGM	Steve Demczak	Environmental Scientist III
Company	Dennis Oakley	Environmental Engineer

## Inspection Report

Permit Number:	<b>C0150018</b>
Inspection Type:	<b>PARTIAL</b>
Inspection Date:	Tuesday, August 29, 2006
Start Date/Time:	8/29/2006 10:00:00 AM
End Date/Time:	8/29/2006 1:00:00 PM
Last Inspection:	Wednesday, July 26, 2006

Inspector: Steve Demczak, Environmental Scientist III

Weather: Sunny, 80's

InspectionID Report Number: 1055

Accepted by: pgrubaug  
9/1/2006

Permittee: **PACIFICORP**

Operator: **ENERGY WEST MINING CO**

Site: **DEER CREEK MINE**

Address: **PO BOX 310, HUNTINGTON UT 84528**

County: **EMERY**

Permit Type: **PERMANENT COAL PROGRAM**

Permit Status: **ACTIVE**

#### Current Acreages

22,213.70	<b>Total Permitted</b>
84.34	<b>Total Disturbed</b>
	<b>Phase I</b>
	<b>Phase II</b>
	<b>Phase III</b>

#### Mineral Ownership

- ☒ Federal  
☒ State  
☐ County  
☒ Fee  
☐ Other

#### Types of Operations

- ☒ Underground  
☐ Surface  
☐ Loadout  
☐ Processing  
☐ Reprocessing

#### Report summary and status for pending enforcement actions, permit conditions, Division Orders, and amendments:

##### Permit Conditions:

- 1) During entry development if sustained quantities of groundwater are encountered which are greater than 5 gpm from a single source in an individual entry, and which continue after operational activities progress beyond the area of groundwater production, PacifiCorp must monitor these flows and notify the Division within 24 hours prior to initiation of monitoring.
  - 2) Vehicle access will not be allowed in Rilda Canyon from December 1 to April 15 for construction and/or maintenance of the Rilda Canyon Surface Facilities without prior written approval from the Division. This condition is for normal working circumstances and does not apply in an emergency situation.
  - 3) PacifiCorp will submit water quality data for the Deer Creek Mine in an electronic format through the EDI web site.
- The permittee is meeting these conditions at this time.  
 -Permitting Actions - New Surface Facilities in Rilda Canyon - Mining Plan Approval was issued on December 21, 2005, the state permit was issued on December 1, 2005.  
 -Violations: None

Inspector's Signature: \_\_\_\_\_

Date Wednesday, August 30, 2006

Steve Demczak, Environmental Scientist III

Inspector ID Number: 39

**Note:** This inspection report does not constitute an affidavit of compliance with the regulatory program of the Division of Oil, Gas and Mining.

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Permit Number: C0150018  
 Inspection Type: PARTIAL  
 Inspection Date: Tuesday, August 29, 2006

## Inspection Continuation Sheet

Page 2 of 3

### **REVIEW OF PERMIT, PERFORMANCE STANDARDS PERMIT CONDITION REQUIREMENTS**

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1. Permits, Change, Transfer, Renewal, Sale	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>
2. Signs and Markers	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
3. Topsoil	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>
4.a Hydrologic Balance: Diversions	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
4.b Hydrologic Balance: Sediment Ponds and Impoundments	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>
4.c Hydrologic Balance: Other Sediment Control Measures	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>
4.d Hydrologic Balance: Water Monitoring	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
4.e Hydrologic Balance: Effluent Limitations	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
5. Explosives	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>
6. Disposal of Excess Spoil, Fills, Benches	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
7. Coal Mine Waste, Refuse Piles, Impoundments	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>
8. Noncoal Waste	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>
9. Protection of Fish, Wildlife and Related Environmental Issues	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
10. Slides and Other Damage	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
11. Contemporaneous Reclamation	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
12. Backfilling And Grading	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
13. Revegetation	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
14. Subsidence Control	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
15. Cessation of Operations	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
16.a Roads: Construction, Maintenance, Surfacing	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
16.b Roads: Drainage Controls	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
17. Other Transportation Facilities	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
18. Support Facilities, Utility Installations	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>
19. AVS Check	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
20. Air Quality Permit	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
21. Bonding and Insurance	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
22. Other	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>

**1. Permits, Change, Transfer, Renewal, Sale**

The permittee has submitted an amendment to update ownership and control information in Chapter 1.

**3. Topsoil**

The new topsoil pile at Rilda Canyon will be completely protected by silt fence. The permittee has instructed the contractor to install silt fences to the entrance of the pile.

**4.b Hydrologic Balance: Sediment Ponds and Impoundments**

The mine site sediment pond was inspected and was discharging as designed. No hazardous conditions were noticed during the inspection.

**4.c Hydrologic Balance: Other Sediment Control Measures**

Silt fences were spot-checked and were functioning as designed.

**5. Explosives**

No explosives were used at Rilda Canyon thus far for construction.

**7. Coal Mine Waste, Refuse Piles, Impoundments**

The permittee had a contractor extending to remove surface water from the top of the refuse pile.

**8. Noncoal Waste**

The mine site was clear of non-coal waste material.

**18. Support Facilities, Utility Installations**

Rilda canyon is under construction with backfilling grading for a new fan installation.



## State of Utah

### Department of Natural Resources

MICHAEL R. STYLER  
*Executive Director*

### Division of Oil, Gas & Mining

JOHN R. BAZA  
*Division Director*

JON M. HUNTSMAN, JR.  
*Governor*

GARY R. HERBERT  
*Lieutenant Governor*

#### Representatives Present During the Inspection:

Company	Mark Reynolds
OGM	Pete Hess Environmental Scientist III

## Inspection Report

Permit Number:	C0150025
Inspection Type:	PARTIAL
Inspection Date:	Friday, August 25, 2006
Start Date/Time:	8/25/2006 10:16:00 AM
End Date/Time:	8/25/2006 11:35:00 AM
Last Inspection:	Thursday, July 20, 2006

Inspector: Pete Hess, Environmental Scientist III

Weather: Sunny, clear, cool.

InspectionID Report Number: 1051

Accepted by: whedberg  
9/13/2006

Permittee: **CO-OP MINING CO**

Operator: **CO-OP MINING CO**

Site: **BEAR CANYON MINE**

Address: **PO BOX 1245, HUNTINGTON UT 84528**

County: **EMERY**

Permit Type: **PERMANENT COAL PROGRAM**

Permit Status: **ACTIVE**

#### Current Acreages

4,416.18	<b>Total Permitted</b>
40.46	<b>Total Disturbed</b>
	<b>Phase I</b>
	<b>Phase II</b>
	<b>Phase III</b>

#### Mineral Ownership

- ☒ Federal  
☐ State  
☐ County  
☒ Fee  
☐ Other

#### Types of Operations

- ☒ Underground  
☐ Surface  
☐ Loadout  
☐ Processing  
☐ Reprocessing

#### Report summary and status for pending enforcement actions, permit conditions, Division Orders, and amendments:

The Permittee is current relative to the submittal of quarterly surface and ground water monitoring information in an electronic form to the Division EDI. The Special Permit Condition included in Attachment "A" of the current State permit continues to be met.

August of 2006 is the surface and ground water monitoring period which must analyze for baseline parameters in order to terminate N06-46-1-1, "Failure to Collect Baseline Water Monitoring Information During August of 2005".

The Permittee has been contacted several times in order to ensure that all sites and parameters are collected such that this compliance action can be terminated.

The Division continues to process Task ID #2597, Bear Canyon lease addition, in conjunction with the U.S. Forest Service, Manti LaSal National Forest. The Permittee intends to add approximately 7,500 acres of mineral reserves as well as add longwall secondary extraction methods to the operation plan.

Inspector's Signature: \_\_\_\_\_

Date: Monday, August 28, 2006

Pete Hess, Environmental Scientist III

Inspector ID Number: 46

**Note:** This inspection report does not constitute an affidavit of compliance with the regulatory program of the Division of Oil, Gas and Mining.

1594 West North Temple, Suite 1210, PO Box 145801, Salt Lake City, UT 84114-5801  
telephone (801) 538-5340 • facsimile (801) 359-3940 • TTY (801) 538-7458 • [www.ogm.utah.gov](http://www.ogm.utah.gov)

Permit Number: C0150025  
 Inspection Type: PARTIAL  
 Inspection Date: Friday, August 25, 2006

## Inspection Continuation Sheet

Page 2 of 3

### **REVIEW OF PERMIT, PERFORMANCE STANDARDS PERMIT CONDITION REQUIREMENTS**

1. Substantiate the elements on this inspection by checking the appropriate performance standard.
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  - b. For PARTIAL inspections check only the elements evaluated.
2. Document any noncompliance situation by reference the NOV issued at the appropriate performance standard listed below.
3. Reference any narratives written in conjunction with this inspection at the appropriate performance standard listed below.
4. Provide a brief status report for all pending enforcement actions, permit conditions, Divison Orders, and amendments.

	Evaluated	Not Applicable	Comment	Enforcement
1. Permits, Change, Transfer, Renewal, Sale	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
2. Signs and Markers	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
3. Topsoil	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
4.a Hydrologic Balance: Diversions	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>
4.b Hydrologic Balance: Sediment Ponds and Impoundments	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
4.c Hydrologic Balance: Other Sediment Control Measures	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
4.d Hydrologic Balance: Water Monitoring	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>
4.e Hydrologic Balance: Effluent Limitations	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
5. Explosives	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>
6. Disposal of Excess Spoil, Fills, Benches	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
7. Coal Mine Waste, Refuse Piles, Impoundments	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
8. Noncoal Waste	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
9. Protection of Fish, Wildlife and Related Environmental Issues	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
10. Slides and Other Damage	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
11. Contemporaneous Reclamation	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>
12. Backfilling And Grading	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
13. Revegetation	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
14. Subsidence Control	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
15. Cessation of Operations	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
16.a Roads: Construction, Maintenance, Surfacing	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
16.b Roads: Drainage Controls	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
17. Other Transportation Facilities	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
18. Support Facilities, Utility Installations	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
19. AVS Check	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
20. Air Quality Permit	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
21. Bonding and Insurance	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
22. Other	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>

#### **4.a Hydrologic Balance: Diversions**

The Permittee needs to recover the black 24-inch HDPE corrugated pipe which routed the undisturbed flow from the water shed designated as AU-4 through AU-3A; thence, through the canyon bottom in watershed AD-1B, (Please refer to PLATE 7-1C, Hydrology Map). The area above AU-3A has been reclaimed, and a riprap channel has been constructed. The recovery of the black HDPE pipe should complete the reclamation work through watershed AD-1B.

#### **4.d Hydrologic Balance: Water Monitoring**

Bear Creek was observed to be flowing at a rate of approximately fifteen gallons per minute (Permittee estimate). The area has seen events on a regular basis due to thunderstorm events.

#### **5. Explosives**

A concrete foundation still exists where the conveyor headroller for the Bear Canyon seam belt was anchored (portal at the #1 Mine). The conveyor which joined the portal belt with the bin has been removed and lowered to the Canyon floor (adjacent to the tipple).

#### **11. Contemporaneous Reclamation**

The Permittee has removed part of the chain-link fencing from the old #1 Mine electrical substation; high voltage transmission wires have also been removed. Demolition of the remnants of that structure is pending.

#### **22. Other**

The Permittee will have the two remaining water samples collected for the third quarter 2006 water monitoring on August 30, 2006. These are SBC-4 and SBC-5 (Big Bear and Birch Springs). Copies of Analysis request forms for the remaining third quarter samples showing requested baseline parameters have been provided to the Division; confirmation that all monitoring has been completed will provide the information necessary to terminate N06-46-1-1, "Failure to Collect Baseline Water Monitoring Information During August of 2005".



## State of Utah

### Department of Natural Resources

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*Executive Director*

### Division of Oil, Gas & Mining

JOHN R. BAZA  
*Division Director*

JON M. HUNTSMAN, JR.  
*Governor*

GARY R. HERBERT  
*Lieutenant Governor*

#### Representatives Present During the Inspection:

OGM Karl Houskeeper Environmental Scientist III

## Inspection Report

Permit Number:	<b>C0150032</b>
Inspection Type:	<b>PARTIAL</b>
Inspection Date:	Thursday, August 17, 2006
Start Date/Time:	8/17/2006 10:00:00 AM
End Date/Time:	8/17/2006 1:00:00 PM
Last Inspection:	Wednesday, July 19, 2006

Inspector: Karl Houskeeper, Environmental Scientist III

Weather: Clear, Temp. 80 Deg. F.

InspectionID Report Number: 1045

Accepted by: pgrubaug  
8/29/2006

Permittee: **GENWAL RESOURCES INC**

Operator: **GENWAL RESOURCES INC**

Site: **CRANDALL CANYON MINE**

Address: **PO BOX 1077, PRICE UT 84501**

County: **EMERY**

Permit Type: **PERMANENT COAL PROGRAM**

Permit Status: **ACTIVE**

#### Current Acreages

6,235.80	<b>Total Permitted</b>
10.70	<b>Total Disturbed</b>
	<b>Phase I</b>
	<b>Phase II</b>
	<b>Phase III</b>

#### Mineral Ownership

- ☒ Federal  
☐ State  
☐ County  
☐ Fee  
☐ Other

#### Types of Operations

- ☒ Underground  
☐ Surface  
☐ Loadout  
☐ Processing  
☐ Reprocessing

#### Report summary and status for pending enforcement actions, permit conditions, Division Orders, and amendments:

Gary Gray was busy with meetings associated with the change in ownership, Gary Peacock from the Crandall Mine represented the company during the inspection.

A midterm review of the Crandall Canyon Mine Permit C/015/0032 is currently in progress.

GENWAL Resources Inc. was bought by UtahAmerican Energy on August 9, 2006. The purchase was an asset and stock purchase. Information contained in this inspection report will be reflective of the information on file for GENWAL Resources Inc., since this inspection was conducted only two days after the sale and no new information has been submitted to the Division on behalf of UtahAmerican Energy.

Inspector's Signature: \_\_\_\_\_

Date: Tuesday, August 22, 2006

Karl Houskeeper, Environmental Scientist III

Inspector ID Number: 49

**Note:** This inspection report does not constitute an affidavit of compliance with the regulatory program of the Division of Oil, Gas and Mining.

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Permit Number: C0150032  
 Inspection Type: PARTIAL  
 Inspection Date: Thursday, August 17, 2006

## Inspection Continuation Sheet

Page 2 of 3

### **REVIEW OF PERMIT, PERFORMANCE STANDARDS PERMIT CONDITION REQUIREMENTS**

1. Substantiate the elements on this inspection by checking the appropriate performance standard.
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4. Provide a brief status report for all pending enforcement actions, permit conditions, Divison Orders, and amendments.

	Evaluated	Not Applicable	Comment	Enforcement
1. Permits, Change, Transfer, Renewal, Sale	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>
2. Signs and Markers	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>
3. Topsoil	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
4.a Hydrologic Balance: Diversions	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
4.b Hydrologic Balance: Sediment Ponds and Impoundments	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
4.c Hydrologic Balance: Other Sediment Control Measures	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
4.d Hydrologic Balance: Water Monitoring	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>
4.e Hydrologic Balance: Effluent Limitations	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
5. Explosives	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
6. Disposal of Excess Spoil, Fills, Benches	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
7. Coal Mine Waste, Refuse Piles, Impoundments	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
8. Noncoal Waste	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
9. Protection of Fish, Wildlife and Related Environmental Issues	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
10. Slides and Other Damage	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
11. Contemporaneous Reclamation	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
12. Backfilling And Grading	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
13. Revegetation	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
14. Subsidence Control	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
15. Cessation of Operations	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
16.a Roads: Construction, Maintenance, Surfacing	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
16.b Roads: Drainage Controls	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
17. Other Transportation Facilities	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
18. Support Facilities, Utility Installations	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
19. AVS Check	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
20. Air Quality Permit	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
21. Bonding and Insurance	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
22. Other	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>



**1. Permits, Change, Transfer, Renewal, Sale**

A midterm review of the Crandall Canyon Mine Permit C/015/0032 is currently in progress.

GENWAL Resources Inc. was bought by UtahAmerican Energy on August 9, 2006. The purchase was an asset and stock purchase. Information contained in this inspection report will be reflective of the information on file for GENWAL Resources Inc., since this inspection was conducted only two days after the sale and no new information has been submitted to the Division on behalf of UtahAmerican Energy.

**2. Signs and Markers**

The Mine ID sign is posted at the entrance to the permit area from the forest service road. The sign contains the name, permit ID #, address, and phone number of the operator. All other signs and markers observed during the inspection met the coal rules.

**4.d Hydrologic Balance: Water Monitoring**

First quarter 2006 water monitoring is in the EDI website and uploaded. Water monitoring is current.



## State of Utah

### Department of Natural Resources

MICHAEL R. STYLER  
*Executive Director*

### Division of Oil, Gas & Mining

JOHN R. BAZA  
*Division Director*

JON M. HUNTSMAN, JR.  
*Governor*

GARY R. HERBERT  
*Lieutenant Governor*

#### Representatives Present During the Inspection:

OGM	Steven Fluke	Environmental Scientist II
Company	Mike Davis	

## Inspection Report

Permit Number:	<b>C0410002</b>
Inspection Type:	EXPLORATION
Inspection Date:	Wednesday, August 02, 2006
Start Date/Time:	8/2/2006 10:30:00 AM
End Date/Time:	8/2/2006 1:00:00 PM
Last Inspection:	Friday, July 21, 2006

Inspector: Steven Fluke, Environmental Scientist II

Weather: partly cloudy, chance of thunderstorm, cool ~65 F

InspectionID Report Number: 1034

Accepted by: whedberg  
9/11/2006

Permittee: **CANYON FUEL COMPANY LLC**  
Operator: **CANYON FUEL COMPANY LLC**  
Site: **SUFCO MINE**  
Address: **397 S 800 W, SALINA UT 84654**  
County: **SEVIER**  
Permit Type: **PERMANENT COAL PROGRAM**  
Permit Status: **ACTIVE**

#### Current Acreages

26,766.95	<b>Total Permitted</b>
27.36	<b>Total Disturbed</b>
	<b>Phase I</b>
	<b>Phase II</b>
	<b>Phase III</b>

#### Mineral Ownership

- ☒ Federal  
☒ State  
☐ County  
☐ Fee  
☐ Other

#### Types of Operations

- ☒ Underground  
☐ Surface  
☐ Loadout  
☐ Processing  
☐ Reprocessing

#### Report summary and status for pending enforcement actions, permit conditions, Division Orders, and amendments:

I visited the SITLA Muddy Tract exploration site on Big Ridge conducted by Ark Land Company. I met with Mike Davis to inspect the staging area, access roads, and drill pads to see that the approved plan was being followed. Drillers from Layne Christensen Company were on site and had begun drilling at site B-05. Nielsen Construction was also on site and had graded the access roads, prepared the drill pads A-05 and B-05, and set up the water supply lines to the drill pads. Overall, the drilling and site preparation was being conducted per the approved plan. Photos are located in the Division database.

Inspector's Signature: \_\_\_\_\_

Steven Fluke, Environmental Scientist II  
Inspector ID Number: 53

Date: \_\_\_\_\_ Monday, August 07, 2006

**Note:** This inspection report does not constitute an affidavit of compliance with the regulatory program of the Division of Oil, Gas and Mining.

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Permit Number: C0410002  
 Inspection Type: EXPLORATION  
 Inspection Date: Wednesday, August 02, 2006

## Inspection Continuation Sheet

Page 2 of 3

### **REVIEW OF PERMIT, PERFORMANCE STANDARDS PERMIT CONDITION REQUIREMENTS**

1. Substantiate the elements on this inspection by checking the appropriate performance standard.
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	Evaluated	Not Applicable	Comment	Enforcement
1. Permits, Change, Transfer, Renewal, Sale	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>
2. Signs and Markers	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>
3. Topsoil	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>
4.a Hydrologic Balance: Diversions	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
4.b Hydrologic Balance: Sediment Ponds and Impoundments	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>
4.c Hydrologic Balance: Other Sediment Control Measures	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>
4.d Hydrologic Balance: Water Monitoring	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
4.e Hydrologic Balance: Effluent Limitations	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
5. Explosives	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
6. Disposal of Excess Spoil, Fills, Benches	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
7. Coal Mine Waste, Refuse Piles, Impoundments	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
8. Noncoal Waste	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
9. Protection of Fish, Wildlife and Related Environmental Issues	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
10. Slides and Other Damage	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
11. Contemporaneous Reclamation	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
12. Backfilling And Grading	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>
13. Revegetation	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
14. Subsidence Control	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
15. Cessation of Operations	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
16.a Roads: Construction, Maintenance, Surfacing	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
16.b Roads: Drainage Controls	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
17. Other Transportation Facilities	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
18. Support Facilities, Utility Installations	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
19. AVS Check	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
20. Air Quality Permit	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
21. Bonding and Insurance	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
22. Other	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>

### **1. Permits, Change, Transfer, Renewal, Sale**

The on-site geologist, Chris Kravitz, had a copy of the approved exploration plan and was familiar with it.

### **2. Signs and Markers**

A sign was posted at the beginning of the widened and graded access road stating "for ATV use only". Signs were also posted at the beginning of each ancillary road to the drill pads stating that the roads were for construction use.

### **3. Topsoil**

Topsoil was stockpiled at the drill pad sites with silt fence installed on the downslope sides.

### **4.b Hydrologic Balance: Sediment Ponds and Impoundments**

The mud pits were constructed as planned with wire fence to keep wildlife out. Drillers are using a thin bentonite mud. Secondary containment was placed around the 1,000-gallon diesel tank at the staging area consisting of plastic fabric and frame. A liner and absorbant pads were placed beneath the drill rig to control potential diesel or hydraulic leaks.

### **4.c Hydrologic Balance: Other Sediment Control Measures**

Berms composed of subsoil were placed on the downslope sides of the drill pads. The upslope sides were dug into the hillside and did not need berms. Silt fence was also placed outside of the berms. Some of the silt fence at pad B-05 needs maintenance because some of the wood stakes are broken causing the fence to sag. Also, overflow from the water tank at pad A-05 had caused some sediment to breach the silt fence. Chris Kravitz was aware of the problem and the crew is more attentive to overflow. I asked Chris to have an additional silt fence placed at the location as a precaution in case it happens again.

### **12. Backfilling And Grading**

Access roads and drill pads have been graded. Some trees were removed for the drill pad areas and the ancillary road to pad A-05. All roads and pads will be reclaimed when drilling is complete.



## State of Utah

### Department of Natural Resources

MICHAEL R. STYLER  
*Executive Director*

### Division of Oil, Gas & Mining

JOHN R. BAZA  
*Division Director*

JON M. HUNTSMAN, JR.  
*Governor*

GARY R. HERBERT  
*Lieutenant Governor*

#### Representatives Present During the Inspection:

Company	Mike Davis
OGM	Pete Hess Environmental Scientist III

## Inspection Report

Permit Number:	C0410002
Inspection Type:	PARTIAL
Inspection Date:	Tuesday, August 29, 2006
Start Date/Time:	8/29/2006 9:00:00 AM
End Date/Time:	8/29/2006 2:40:00 PM
Last Inspection:	Wednesday, August 02, 2006

Inspector: Pete Hess, Environmental Scientist III

Weather: Sunny, clear, day time temperatures in the

InspectionID Report Number: 1053

Accepted by: whedberg  
9/11/2006

Permittee: **CANYON FUEL COMPANY LLC**  
Operator: **CANYON FUEL COMPANY LLC**  
Site: **SUFCO MINE**  
Address: **397 S 800 W, SALINA UT 84654**  
County: **SEVIER**  
Permit Type: **PERMANENT COAL PROGRAM**  
Permit Status: **ACTIVE**

#### Current Acreages

26,766.95	<b>Total Permitted</b>
27.36	<b>Total Disturbed</b>
	<b>Phase I</b>
	<b>Phase II</b>
	<b>Phase III</b>

#### Mineral Ownership

- ☒ Federal  
☒ State  
☐ County  
☐ Fee  
☐ Other

#### Types of Operations

- ☒ Underground  
☐ Surface  
☐ Loadout  
☐ Processing  
☐ Reprocessing

#### Report summary and status for pending enforcement actions, permit conditions, Division Orders, and amendments:

The Permittee is current relative to the submittal of quarterly surface and ground water monitoring information for the SUFCO Mine permit area; thus the Permittee continues to meet the Special Permit Condition included as Attachment "A" of the current State permit.

The Permittee has completed the first phase of developing a long term water replacement plan in the North Water area / Spring 105 area by drilling and installing thirty-three piezometers in the East Fork of the East Fork of Box Canyon drainage. Water has been shown to exist subsurface; the monitoring of same will be initiated as soon as possible, prior to the onset of winter conditions. According to Mr. Davis, the 6 Left Pines East long wall panel face will pass through this area during the forthcoming week (September 4, 2006).

Inspector's Signature: \_\_\_\_\_

Date Wednesday, August 30, 2006

Pete Hess, Environmental Scientist III

Inspector ID Number: 46

**Note:** This inspection report does not constitute an affidavit of compliance with the regulatory program of the Division of Oil, Gas and Mining.

1594 West North Temple, Suite 1210, PO Box 145801, Salt Lake City, UT 84114-5801  
telephone (801) 538-5340 • facsimile (801) 359-3940 • TTY (801) 538-7458 • [www.ogm.utah.gov](http://www.ogm.utah.gov)

Permit Number: C0410002  
 Inspection Type: PARTIAL  
 Inspection Date: Tuesday, August 29, 2006

## Inspection Continuation Sheet

Page 2 of 4

### **REVIEW OF PERMIT, PERFORMANCE STANDARDS PERMIT CONDITION REQUIREMENTS**

1. Substantiate the elements on this inspection by checking the appropriate performance standard.
  - a. For COMPLETE inspections provide narrative justification for any elements not fully inspected unless element is not appropriate to the site, in which case check Not Applicable.
  - b. For PARTIAL inspections check only the elements evaluated.
2. Document any noncompliance situation by reference the NOV issued at the appropriate performance standard listed below.
3. Reference any narratives written in conjunction with this inspection at the appropriate performance standard listed below.
4. Provide a brief status report for all pending enforcement actions, permit conditions, Divison Orders, and amendments.

	Evaluated	Not Applicable	Comment	Enforcement
1. Permits, Change, Transfer, Renewal, Sale	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
2. Signs and Markers	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
3. Topsoil	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
4.a Hydrologic Balance: Diversions	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>
4.b Hydrologic Balance: Sediment Ponds and Impoundments	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
4.c Hydrologic Balance: Other Sediment Control Measures	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>
4.d Hydrologic Balance: Water Monitoring	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>
4.e Hydrologic Balance: Effluent Limitations	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>
5. Explosives	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
6. Disposal of Excess Spoil, Fills, Benches	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
7. Coal Mine Waste, Refuse Piles, Impoundments	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>
8. Noncoal Waste	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
9. Protection of Fish, Wildlife and Related Environmental Issues	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>
10. Slides and Other Damage	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
11. Contemporaneous Reclamation	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
12. Backfilling And Grading	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
13. Revegetation	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
14. Subsidence Control	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>
15. Cessation of Operations	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
16.a Roads: Construction, Maintenance, Surfacing	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
16.b Roads: Drainage Controls	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
17. Other Transportation Facilities	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
18. Support Facilities, Utility Installations	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>
19. AVS Check	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
20. Air Quality Permit	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>
21. Bonding and Insurance	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
22. Other	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>

#### **4.a Hydrologic Balance: Diversions**

The Link Canyon area has seen significant rainfall over the past several days. According to Mr. Davis, the Emery County Road Department found it necessary to re-install a large diameter culvert which had been undercut by flow at the plank bridge in the lower Canyon. Other evidence of significant rainfall was obvious in the area.

#### **4.c Hydrologic Balance: Other Sediment Control Measures**

The SUFCO Mine permit area has seen repeated thunderstorm events over the past several weeks, as has the Carbon County area. The Link Canyon portal area has received these same events. Although the Permittee has performed repairs on several silt fences and diversions in that area, two fences are still in need of maintenance. These are the silt fence located on the north side of the intake portal in Channel #2, and the silt fence associated with ASCA #1 on the south side of the access road gate. Soil has been washed from outside the disturbed area perimeter into this fence, burying the fence fabric to its highest point. Mr. Davis made note of the needed repairs in order to have the necessary work performed.

#### **4.d Hydrologic Balance: Water Monitoring**

Extensive deposits of washed sand were observed in the East Fork of the East Fork of Box Canyon area where springs 105, and 310 / 311 are located. The SE side of the fence surrounding spring 105 had a pile of flushed debris against it. Surface flows were observed at several locations due to recent rainfall events here. As noted elsewhere, the long wall face of the 6 Left Pines East Panel will pass through this area during the week of September 4, 2006.

#### **4.e Hydrologic Balance: Effluent Limitations**

The Permittee recently submitted updates to the UPDES permit as well as the Air Quality approval order for the SUFCO Mine. Task ID #2552 was approved on August 21, 2006.

#### **7. Coal Mine Waste, Refuse Piles, Impoundments**

Cores and bag samples from the North Water piezometer installations will be recovered from that area on Friday, September 1, 2006.

#### **9. Protection of Fish, Wildlife and Related Environmental Issues**

The riparian area adjacent to spring 105 was observed. Although wheel tracks from the well boring machinery were evident, the grasses were not damaged and will quickly refurbish. The area appeared to be flourishing.

#### **14. Subsidence Control**

Small tension cracks and some buckling were observed on the surface north of the North Water area. As noted elsewhere, the 6 Left Pines East long wall panel face is approaching the North Water drainage area, and will undermine it during the week of September 4, 2006.

**18. Support Facilities, Utility Installations**

The electrical substation in the Link Canyon portal area was inspected. There were no compliance issues noted.

**20. Air Quality Permit**

See comment under 4e.

**22. Other**

The exploration site at SITLA site B-05 was inspected this day. There were no offsite impacts observed from the drilling activities. Mr. Chris Kravitz, Permittee representative indicated that the hole is at a depth of approximately 785 feet (approximately 50% of total depth). Drilling was not occurring due to a need to fill the water supply tanks.





# MODIFICATION OF NOTICE OF VIOLATION/CESSATION ORDER

To the following Permittee or Operator:

Name Nevada Electric Investment Company  
Mailing Address 2226 West Sahara Ave ; Las Vegas NV 89146  
State Permit No. C/007/012

Utah Coal Mining & Reclamation Act, Section 40-10-1 et seq., Utah Code Annotated (1953):

Notice of Violation No. N 06-37-1-1 dated 7/07/06, 19 \_\_\_\_.

Cessation Order No. C \_\_\_\_\_ dated \_\_\_\_\_, 19 \_\_\_\_.

Part 1 of 1 is modified as follows: Abatement date for steps 1-3 extended 60 days from the date of the violation. Abatement date for steps 4-8 extended to 90 days from the date of the violation.  
Reason for modification is requested by Permittee in email dated 8/21/2006.

Part \_\_\_\_ of \_\_\_\_ is modified as follows: \_\_\_\_\_

Reason for modification is \_\_\_\_\_

Part \_\_\_\_ of \_\_\_\_ is modified as follows: \_\_\_\_\_

Date of service/mailling 8/30/06 Time of service/mailling \_\_\_\_\_ ☐ a.m. ☐ p.m.

Date of inspection June 30, 2006

Faxed/mailed from DOGM Price Office  
Permittee/Operator representative Title

Signature

Priscilla Burton, CPSSc  
Division of Oil, Gas & Mining  
Priscilla Burton  
Signature

Environmental Scientist III  
Title



UTAH  
NATURAL RESOURCES  
Oil, Gas & Mining

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MODIFICATION OF  
NOTICE OF VIOLATION / CESSATION ORDER

N06-46-2-2, "Snow Storage / Treatment Areas"

To the following Permittee or Operator:

Name C.W. Mining Company DBA CO-OP Mining Company

Mailing Address P.O. Box 1245, Huntington, Utah 84528

State Permit No. C/O15/025

Utah Coal Mining & Reclamation Act, Section 40-10-1 et seq., Utah Code Annotated (1953):

Notice of Violation No. N 06-46-2-2 dated April 10, ~~19~~ 2006

~~Cessation Order No. C~~ ~~dated~~ ~~19~~

Part 1 of 2 is modified as follows: Abatement Time: the time frame of 45 days to implement the DOGM approved ASCA field

Reason for modification is designs is removed. The Permittee may implement each approved ASCA design on an "as

~~Part~~ ~~of~~ ~~is modified as follows:~~ needed basis" for snow storage.

Reason for modification is the immediate need to implement these designs prior to onset of winter conditions.

~~Part~~ ~~of~~ ~~is modified as follows:~~

Date of service/mailling September 15, 2006 Date of service/mailling 8<sup>32</sup> ☒ a.m. ☐ p.m.

Date of inspection April 7, 2006

Mark Reynolds, P.E.

Permittee/Operator representative

Permitting Coordinator

Title

Mailed / FAXed from PFO/DOGM

Signature

Peter Hess

Division of Oil, Gas & Mining

Environmental Scientist III

Title

Signature

WHITE - DOGM YELLOW - OSM PINK - PERMITTEE/OPERATOR GOLDENROD - NOV FILE

DOGM/MVC-1

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NOB-46-3-1

~~VACATION/TERMINATION OF~~  
NOTICE OF VIOLATION/~~CESSATION ORDER~~

"Conducting Mining Activities without DOGM Approval"

To the following Permittee or Operator:

Name Savage Services Corporation

Mailing Address 6340 South, 3000 East, Suite 600, SLC, Utah 84121

State Permit No. C/007/022

Utah Coal Mining & Reclamation Act, Section 40-10-1 et seq., Utah Code Annotated (1953):

Notice of Violation No. N Ob-46-3-1 dated July 14, 19 2006

~~Cessation Order No. C~~ dated ~~19~~

Part 1 of 1 is ☐ vacated ☒ terminated because the Permittee has salvaged and stored soil material which was recovered from the conveyor footing holes associated with

~~Part of is ☐ vacated ☐ terminated because~~ the newly proposed conveyors #1b and #1d.

Part of is ☐ vacated ☐ terminated because

Date of service/mailling 7/28/2006

Time of service/mailling 3:15 ☐ a.m. ☒ p.m.

Mr. Dan Guy, P.E.

Resident Agent

Permittee/Operator representative

Title

Mailed/FAXed from PFO/DOGM

Signature

Peter Hess

Environmental Scientist III

Division of Oil, Gas & Mining

Title

Peter Hess

Signature





UTAH  
NATURAL RESOURCES  
Oil, Gas & Mining

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N 06-46-1-1

~~VACATION/TERMINATION OF~~  
~~NOTICE OF VIOLATION/CESSATION ORDER~~

"Failure to Collect Baseline Water Monitoring Data During August 2005"

To the following Permittee or Operator:

Name C.W. Mining Company / Bear Canyon Mines

Mailing Address P.O. Box 1245, Huntington, Utah 84528

State Permit No. C/O15/025

Utah Coal Mining & Reclamation Act, Section 40-10-1 et seq., Utah Code Annotated (1953):

Notice of Violation No. N 06-46-1-1 dated February 3, 2006.

~~Cessation Order No. C~~ ~~dated~~ ~~19~~

Part 1 of 1 is ☐ vacated ☒ terminated because the Permittee has collected all required stream and spring samples required for August 2006 and requested both operational and baseline monitoring parameters.

~~Part of is ☐ vacated ☐ terminated because~~

Analyses Requests and Chain of Custody / Parameter Lists for the following water monitoring points were submitted

~~Part of is ☐ vacated ☐ terminated because~~ to the Division;

BC-1, BC-2, BC-3, MH-1, FC-1, SBC-3, SBC-4,

SBC-5, SBC-9A, SBC-12, SBC-14, SBC-15, SBC-16, SBC-17,  
SMH-1, SMH-2, SMH-3, SMH-4. BC-4 was reported DRY.

Date of service/mailling 8/31/2006 Time of service/mailling 3:15 ☐ a.m. ☒ p.m.

Mark Reynolds  
Permittee/Operator representative

Permitting Coordinator  
Title

Mailed / FAXed from PFO/DOGM  
Signature

Peter Hess #46  
Division of Oil, Gas & Mining

Environmental Scientist III  
Title

Peter Hess  
Signature

**MT NEBO SCIENTIFIC, INC.***research & consulting*VIA: Email & U.S. Mail

July 17, 2006

Task 0571

Utah Coal Regulatory Program  
STATE OF UTAH  
Division of Oil, Gas & Mining  
1594 West North Temple, Suite 1210  
Salt Lake City, Utah 84114-5801

RE: N06-37-1-1: Pre-Penalty Assessment Letter  
Wellington Preparation Plant  
(C/007/012)

*Incoming  
C/007/0012  
Copy Aaron  
add #FO*

Dear Coal Program Staff:

This letter is intended to provide the Division with some related information prior to the proposed penalty assessment of the above referenced NOV. Please have the assessment officer note following:

1. The activities from which the violation was based did not constitute any imminent public safety dangers.
2. The activities from which the violation was based did not constitute imminent environmental concerns.
3. When a violation was proposed by our inspector, we later discovered some problems associated with sealing the well (NEICO would soon loose the water rights associated with the well). We provided this information to our inspector at our inspection at Wellington on June 30, 2006. At that time the inspector asked us for a **draft** "management plan" for the well if we did not intend to abandon and seal the well. The attached document is the draft management plan provided to our inspector July 5, 2006 (the date requested by the inspector). The violation was faxed to me on Friday, July 7, 2006 at 4:30 pm.

Sincerely,

Patrick D. Collins, Ph.D.  
Resident Agent/Environmental Consultant

Enclosure

cc: T. Garcia  
M. Davidson

**RECEIVED****JUL 19 2006**

DIV. OF OIL, GAS &amp; MINING

- DRAFT -

HISTORY & MANAGEMENT  
OF THE WATER COLLECTION WELL  
AT THE WELLINGTON PREP PLANT

July 5, 2006

**INTRODUCTION**

The Wellington Prep Plant (C/007/012) is owned and operated by NEICO. The site has a water collection well located on the east side of the Price River. More specifically, the well is located in the SE¼, NE¼, Section 16, T15S, R11E. A certified water right is associated with this well site (Water Right No. 91-255). Additionally, supplemental water rights are appurtenant to this well site (Water Right Nos. 91-215, 216, 254, 255, 371). Although a pumphouse that was located near the well has recently been dismantled and removed, NEICO's intention is to retain the well and its associated water rights for future use.

**HISTORY**

- The Wellington Prep Plant has had water rights for this well site since 1958.
- The original owners of the site prepared and washed coal to be used for making steel at the Geneva Plant in Utah County, Utah.
- In the coal washing process, water was collected by: 1) pumping recycled water from the Clearwater Pond, 2) pumping it from the Price River, and 3) pumping it from the well mentioned above.
- The wash plant was in continuous operation from 1958 until 1985, when Kaiser Coal bought and operated the site.
- In 1985, revegetation research plots were irrigated with the well water. This practice was soon discontinued by Kaiser Coal.
- The Wellington Prep Plant site was purchased by NEICO and IPA in 1989. The site was operated by Castle Valley Resources as a coal loadout for the Genwal Mine.
- NEICO became sole owner of the site in 1995.
- In 1997, Earthco leased the property from NEICO and began to demolish and reclaim

some areas of the site. It is believed that Earthco also utilized the water from the well at that time for these activities.

- From 1997 to 2003, Covol Technologies utilized the well water along with water from the Price River to fill the Clearwater Pond and North Slurry Pond. The water was necessary to transport and process the fines in the area as part of the operations at their onsite wash plant.
- More recently (2004-05), the well water has been used for a variety of activities including dust suppression and control.
- Note: When water was not being pumped from the pumphouse, well, or Price River, a small amount of water (estimated at approximately 1 gal/min) could usually be observed draining through the concrete ditch that was constructed to deliver water from the Price River to the pumphouse. Notably, this water drained toward the Price River instead of away from it as it did when water was delivered to the pumphouse for operational procedures. It was assumed that these flows were coming from either groundwater of the immediate area or from the pipeline coming from the aforementioned well in the area.

Furthermore, there is often a “wet area” near the pumphouse, a potential consequence of the groundwater or well water of the area.

- After the Covol Wash Plant was removed in 2004, the pumphouse located in the vicinity of the well was removed by a Covol subcontract without permission of the permittee (NEICO) or the operator (Covol).
- Absence of the pumphouse building structure created a potential public safety hazard due to below-grade support facilities. Covol then agreed to reclaim the remaining pumphouse structure to eliminate the safety problems. This work was accomplished in October 2004.
- During the winter of 2005, water was observed entering the Dryer Pond located on the west side of the Price River near the old facilities area of the Wellington Prep Plant.
- Water samples were taken and analyzed from the flows into the Dryer Pond by a NEICO representative. The water was found to be nontoxic or hazardous and met current water quality standards.
- A review of the as-built drawings of the Dryer Pond did not show the inlet where this water was entering the pond. Prior to the unexplained flow to the pond, the inlet was not visible.
- Consultation with the engineer that designed expansion of the Dryer Pond revealed that the inlet to the pond where water has been entering was unknown to him.

- In 2006, a Division inspector for the Wellington site reviewed archived early drawings and found that there was a water pipeline that historically conveyed water from the pumphouse area to the Dryer Pond area. It was postulated at that time that flows in the Dryer Pond could originate from the pumphouse area and be a consequence of changes made by reclamation activities of the pumphouse. Although the possibility does exist that this is the source of the water in the Dryer Pond, it is not a certainty.

## MANAGEMENT

The water well and associated water rights to it are a valuable asset to NEICO for future operations by NEICO or potential future owners of the site. The well has been in use on the site since 1958. Recent meetings with potential buyers to the site have expressed a strong desire to retain the well and its water rights.

Suggestions have been made by the Division to permanently seal the water collection well described above as part of reclamation of the pumphouse. Because there is the strong likelihood that if the well was abandoned and sealed at this time that NEICO would loose the water rights associated with it, so NEICO has no plans to seal the well. NEICO therefore intends to manage the well *"in a manner approved by the Division"*. The applicable state regulation for this well states the following:

R645.301.748      Casing and Sealing of Wells. Each water well will be cased, sealed, or otherwise managed, as approved by the Division, to prevent acid or other toxic drainage from entering ground or surface water, to minimize disturbance to the hydrologic balance, and to ensure the safety of people, livestock, fish and wildlife, and machinery in the permit and adjacent area. If a water well is **exposed** by coal mining and reclamation operations, it will be permanently closed unless otherwise managed in a manner approved by the Division. Use of a drilled hole or borehole or monitoring well as a water well must comply with the provision of R645-301-731.100 through R645-301-731.522 and R645-301-731.800.

Management procedures, comments, and advantages for retaining the well and its water rights are listed below.

- If, in fact, the water entering the Dryer Pond on the west side of the Price River originates from the pumphouse area, it is assumed that this discharge is the same as described in the *"Note"* in the HISTORY section above.
- The well is located in an area where there is no toxic or hazardous materials near it. The well is covered and generally unnoticeable to the public, so it should not be subject to unwanted material entering the ground or surface waters.
- With the pipeline system in place, water can be delivered from the well to either the east or west side of the river. This is a definite advantage to the operator(s) of the site. The water



can currently be used for dust control or other purposes.

- The well water could be used for reclamation or industrial activities in the future.
- The well water currently provides wildlife habitat with its discharge into the Dryer Pond.
- When evaporation exceeds discharge to the Dryer Pond, the water level decreases. When discharge exceeds evaporation, the water level rises to the level of the input culvert and seems to reach a point of equilibrium and does not discharge from the Dryer Pond. If, however, water should release from the Dryer Pond, this pond is an approved UPDES point.
- The water entering the Dryer Pond is of good quality.
- Retention of the well and its water rights increases the market value of the Wellington property.

0015

Incaming 00070012  
Task 0571

**From:** Patrick Collins <mt.nebo@xmission.com>  
**To:** Daron Haddock <daronhaddock@utah.gov>, Pamela Grubaugh-Littig  
<pamgrubaughlittig@utah.gov>  
**Date:** 9/1/2006 4:59:33 PM  
**Subject:** Infomal Conference Request

Daron & Pam:

I would like to request an informal conference regarding the fact of the violation and proposed assessment of N06-37-1-1.

Attached is the letter mailed today.

Sincerely,

Patrick

**CC:** Tony Garcia <TGarcia@nevps.com>



**MT NEBO SCIENTIFIC, INC.**

*research & consulting*

---

**VIA: U.S. Mail & E-Mail**

September 1, 2006

Utah Coal Regulatory Program  
STATE OF UTAH  
Division of Oil, Gas & Mining  
1594 West North Temple, Suite 1210  
Salt Lake City, Utah 84114-5801

**RE:** N06-37-1-1: Informal Conference Request  
Wellington Preparation Plant (C/O 07/012)

Dear Coal Program Staff:

According to the assessment letter dated August 9, 2006 and also pursuant to R 645-401-700, I would like to request an informal conference regarding the fact of the violation and proposed assessment of N 06-37-1-1.

Sincerely,

(Transmitted Electronically)

Patrick D. Collins, Ph.D.  
Resident Agent/ Environmental Consultant

cc: T. Garcia



MT NEBO SCIENTIFIC, INC.

research &amp; consulting

RECEIVED

SEP 05 2006

DIV. OF OIL, GAS &amp; MINING

VIA: U.S. Mail & E-Mail

September 1, 2006

Utah Coal Regulatory Program  
STATE OF UTAH  
Division of Oil, Gas & Mining  
1594 West North Temple, Suite 1210  
Salt Lake City, Utah 84114-5801

RE: N06-37-1-1: Informal Conference Request  
Wellington Preparation Plant (C/007/012)

Dear Coal Program Staff:

According to the assessment letter dated August 9, 2006 and also pursuant to R645-401-700, I would like to request an informal conference regarding the fact of the violation and proposed assessment of N06-37-1-1.

Sincerely,

Patrick D. Collins, Ph.D.  
Resident Agent/Environmental Consultant

cc: T. Garcia

*Shannon*  
*C/007/0012*  
*Copy Perilla,*  
*Vickie Sathorn*  
*Kerry Anshright*